Intragovernmental Fiduciary Transactions Accounting Guide

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UNITED STATES DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
Intragovernmental Fiduciary Transactions Accounting Guide

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<u>Acronyms/definitions:</u>

BPD – Bureau of the Public Debt
BS – Balance Sheet (OMB Form and Content)
CNP – Statement of Changes in Net Position (OMB Form and Content)
DOL – Department of Labor
FACTS - Federal Agencies' Centralized Trial Balance System
FMS – Financial Management Service
GFR – United States Government Financial Report
OMB - Office of Management and Budget
OPM – Office of Personnel Management
SFFAS – Statement of Federal Financial Accounting Standards
SGL – Standard General Ledger
SNC – Statement of Net Cost (OMB Form and Content)
Treasury – Department of the Treasury

I. Purpose of the Guide

The Intragovernmental Fiduciary Transactions Accounting Guide contains policies and procedures for accounting, reporting, and reconciling to be implemented by all federal entities for the following intragovernmental transactions:

- Investments in Federal securities issued by the Treasury Department Bureau of the Public Debt including interest accruals, interest income and expense, and amortization of premiums and discounts.

- Borrowings from Treasury and the Federal Financing Bank including interest accruals, interest income and expense.

- Transactions with the Department of Labor relating to the Federal Employees' Compensation Act including routine payments and accruals for actuarial liabilities.

- Transactions with the Office of Personnel Management relating to employee benefit programs.

These accounting procedures establish consistent recording and reporting requirements for the above transactions for all federal entities. This guide is designed to streamline the accounting procedures relative to intragovernmental fiduciary transactions and provide a means for federal entities to ensure accurate accounting, reporting and reconciliation.

Parts II and III of the Guide include illustrative entries for the receipt and payment of interest and recognition of accrued interest receivable and payable. These entries illustrate the accounting that would be required, on a stand-alone basis, if the entity had not previously recognized any accrued interest.

For example, in Part II, item 2, an investing entity credits SGL A/C 5310 (G), Interest Income for $5,000 on receipt of a semi-annual interest payment. This entry assumes that no portion of the semi-annual interest payment had previously been accrued as earned. However, if the investing entity had previously accrued $4,000 of interest earned on this investment prior to receipt of the $5,000 semi-annual interest payment, the required entry would include a credit to accrued interest receivable for $4,000 and a credit to interest income for $1,000.

Agency practices for the accrual of interest and accounting for interest received or paid may vary. The illustrative entries contained in the Guide should be considered in the context of agency practice and modified if necessary. In all cases, in accounting for interest, agencies should consider the methodology they use to account for interest earned, as well as accrued interest receivable and payable balances.

The transactions discussed in this guide occur between two or more federal agencies. The federal entity transactions illustrated in this guide that are coded as intragovernmental (G) transactions are eliminated in preparing the consolidated financial statements of the federal government. In addition to enhancing accounting procedures at the federal entities, this guide is designed to facilitate the accurate elimination of accounting transactions at the consolidated financial statement level. Strict adherence to these accounting policies and procedures will be required to properly account for and report intragovernmental transactions in agency financial statements and identify and eliminate these transactions at the consolidated financial statement level.

Two essential attributes of SGL accounts exist. They are vital for the accurate production of the Financial Report of the United States Government and must be used properly in reporting the agencies adjusted trial balance. These attributes are:

"N" which reflects that the SGL account balance is the result of transactions with other than a Federal entity.

"G" which reflects that the SGL account balance is the result of transactions with a Federal Government entity (Intragovernmental). These account balances also require trading partner codes that are discussed below.

Agencies are required to use the two-digit department code of the trading partner when reporting SGL account balances that relate to activity with another federal agency. (See the Treasury Financial Manual, Volume I, Part II, Chapter - 4000, FACTS for a list of the valid department codes). For example, **1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt** indicates this federal entity is posting a transaction occurring with 20 (BPD). BPD records **2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net**, indicating a transaction with federal entity XX.

Intragovernmental balances should be reconciled periodically. Agencies should reconcile intragovernmental balances with partners before submitting year-end data to FMS through FACTS. Agencies are required to reconcile all intragovernmental SGL account balances with partners as of the fiscal year end (September 30). Agencies are encouraged to confirm balances with partners and perform reconciliations quarterly.

Agencies are required to investigate and explain any discrepancies between their intragovernmental account balances and the reciprocal account balances of their trading partner(s). Discrepancies due to errors should be adjusted in agency records and corrected prior to the FACTS transmission. Different methods for calculating amortization, recording gains and losses, or determining which securities are redeemed are examples of reconciling items. A Reconciliation Worksheet identifying and explaining the differences should be attached to the Confirmation Forms that appear in Subparts D of Sections II through V that follow.

The following are listings of the most common types of errors and reconciling items:

Examples of errors

1. Intragovernmental (G) attribute incorrect
2. Non-governmental (N) attribute incorrect
3. Fund symbol incorrect

4. Transaction not recorded in the general ledger
5. Transaction recorded to wrong SGL account
6. Wrong amount recorded in the general ledger
7. Transaction recorded in the general ledger in the wrong accounting period
8. Incorrect data submitted in FACTS
9. Non-submission of data in FACTS

Examples of reconciling items

1. Differences that result from using an accounting method different from the trading partner --

   E.g., agencies amortizing Treasury security premiums and discounts using the effective interest method while the Bureau of the Public Debt uses the straight-line method.

2. Differences that result from using an SGL account for more than one type of transaction --

   E.g., SGL account 7110G, Gain on Disposition of Assets may include gains from activities unrelated to the investment transactions being reconciled, such as gains from disposal of assets.

The following is an example of a reconciliation that should be completed for each intragovernmental SGL account:

Agency X
Sample Reconciliation Worksheet
September 30, 1999

Trading Partner Agency Z, SGL account, Partner Code, Account Title, Balance per confirmation	$xxx,xxx.xx
Reconciling item(s) to be added or (subtracted):	
Add (subtract) difference due to using a different accounting method or using an SGL account for more than one type of transaction	xxx,xxx.xx
Agency X, SGL account, Partner Code, Account Title, balance per general ledger 9/30/99	$xxx,xxx.xx

Copies of reconciliation worksheets should be attached to the confirmation forms illustrated in Subparts D of Sections II – V of this guide. Additional details on procedures for confirming balances and reconciling transactions with partner agencies are covered in those Subparts.

Fiscal year 1999 illustrative Financial Statement presentations are based on OMB Bulletin No. 97-01, Form and Content of Agency Financial Statements and Fiscal Year 1999 Financial Statement Crosswalks contained in the Treasury Financial Manual, Transmittal Letter No. S2 99-01, Section V. Each agency should review the form and content reporting requirements issued by

OMB to ensure accounting activity is presented in the proper categories in the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and other financial statements.

Further improvements are needed in intragovernmental transactions accounting, reporting, and reconciling. In future years, the elimination guidance will be updated and expanded to include additional categories. Treasury will continue its review and revision of internal policies to achieve consistency among bureaus in treatment of like items. Treasury will also be pursuing standard treatments for certain items with the Accounting and Auditing Policy Committee of the Federal Accounting Standards Advisory Board as needed.

II. Investments in Federal Securities issued by the Treasury Department Bureau of the Public Debt

A. Nature of Transactions

Federal trust fund receipts and cash balances are invested in Treasury securities through the BPD. BPD also issues federal debt securities to the public and accounts for the public debt. BPD reports this activity (in summary) to the public and other interested users in the Monthly Statement of Public Debt.

The purchase, sale, maturity and interest earnings of trust fund and other government securities should be reported timely, accurately, and consistently to assure the reliability of agency financial statements. For reporting purposes, federal entities purchasing federal securities should recognize and measure the investment in accordance with SFFAS No.1 Accounting for Selected Assets and Liabilities. BPD (and other federal entities issuing federal securities) should recognize and measure related liabilities in accordance with SFFAS No.5 Accounting for Liabilities of the Federal Government.

The entities involved in the purchase of federal debt securities include trust funds managed by BPD and trust, revolving or other funds managed by federal program agencies. This guidance illustrates transactions between federal entities. The following sections describe the nature of transactions engaged in by each of these entities. Agencies issuing securities can use the BPD transactions as guidance, replacing BPD specific SGL accounts with agency specific accounts. These accounts are listed under SGL accounts part **B**. Recognition and Measurement Criteria.

Bureau of the Public Debt managed trust funds: Federal trust funds are created by and maintained in accordance with the various Acts and Public Laws as authorized by Congress. BPD manages certain trust funds for program agencies. The Division of Federal Investments of BPD provides accounting, investment, and financial reporting services for the trust funds. This includes managing the investments, maintaining related accounting records and supporting documentation, and preparing activity statements in a financial statement format.

BPD is responsible for administering and monitoring the daily activities of the managed trust funds including receipts, investment and redemption activity, and calculation of interest. The trust fund program agencies are responsible for determining the nature, extent and timing of disbursements to satisfy the objectives of the programs financed by the trust funds.

Federal agency managed funds: Many program agencies are responsible for trust, revolving and other funds and manage the purchase and sale of securities from Treasury through BPD. These program agencies are responsible for determining amounts to be invested and the terms of the investments. These agencies are responsible for reconciling periodic interest income to information provided by BPD.

B. Recognition and Measurement Criteria

For the purposes of intragovernmental elimination guidance, the transactions illustrated in the following sections apply to all intragovernmental investments.

Purchase of the investments: Investment in Treasury securities should be recorded at acquisition cost. If the acquisition cost differs from the par value, the security should be recorded at par value and the difference between par value and the acquisition cost should be recorded as premium or discount. Purchased interest should be recorded as interest receivable at the time of purchase.

Interest income: Interest income should be recorded when earned by the entity.

Interest accruals: Interest accruals represent the amount of interest due between the last interest payment date and the end of the accounting period.

Amortization of premium or discount: The premium or discount reflects the difference between the par value of the investment and cost to purchase the investment. Premiums and discounts for federal securities should be amortized over the life of the investment using the effective interest method.

Sales of investments: Proceeds from the sale of investments, net of the par value of the investment and the unamortized premium or discount should be recorded as a gain or loss at the time of redemption.

SGL accounts: The following SGL accounts should be used for recording investment transactions with BPD.

Investing Entity	Security-Issuing Agency
1010 Fund Balance with Treasury 1340G Interest, Penalty, and Administrative Fees Receivable 1610G Investments in U.S. Treasury Securities Issued by Public Debt 1611G Discount on U.S. Treasury Securities Issued by Public Debt 1612G Premium on U.S. Treasury Securities Issued by Public Debt 1613G Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt 5310G Interest Revenue 7110G Gains on Disposition of Assets 7210G Losses on Disposition of Assets	1010 Fund Balance with Treasury 2140G Accrued Interest Payable 2530G Securities Issued by Federal Agencies under General and Special Financing Authority, Net 6320G Interest Expenses on Securities

The transactions in this guide do not represent the complete accounting cycle for proprietary transactions related to the particular accounting event. The guide only includes the parts of transactions that occur on both partner agencies' records. The guide does not include any budgetary transactions.

The following accounts should be used for recording investments in securities other than Treasury securities. The examples shown within this document use accounts related to transactions with BPD. The agency can use the accounts prescribed in the SGL to reflect activity related to investments with entities other than BPD.

Investing Entity	Security-Issuing Agency
1010 Fund Balance with Treasury 1340G Interest, Penalty, and Administrative Fees Receivable 1620G Investments in Securities Other Than Public Debt Securities 1621G Discount on Securities Other Than Public Debt Securities 1622G Premium on Securities Other Than Public Debt Securities 1623G Amortization of Discount and Premium on Securities Other Than Public Debt Securities 5310G Interest Revenue 7110G Gains on Disposition of Assets 7210G Losses on Disposition of Assets	1010 Fund Balance with Treasury 2140G Accrued Interest Payable 2530G Securities Issued by Federal Agencies under General and Special Financing Authority, Net 6320G Interest Expenses on Securities

C. Illustrative Entries, Trial Balances and Financial Statement Examples

1. Purchase of Investments: The purchase of an investment should be recorded at acquisition cost. The investment account should be charged with par value and a premium or discount recorded for the difference between acquisition cost and par value.

a. Entries to record the purchase of a Treasury security at a discount.

Investing Entity	Security-Issuing Entity
1610G (XX) Investments in U.S. Treasury Securities Issued by Public Debt 1611G (XX) Discount on U.S. Treasury Securities Issued by Public Debt 1010 Fund Balance with Treasury	1010 Fund Balance with Treasury 2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net

Example transaction: BPD issues to the Department of Labor (DOL) Unemployment Trust Fund (partner code 16) a Treasury security with a par value of $2,000. DOL purchases the security at discount for $1,910. The entries are as follows:

Unemployment Trust Fund Account:

Entry:

1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt	$2,000	
1611G (20) Discount on U.S. Treasury Securities Issued by Public Debt		$90
1010 Fund Balance with Treasury		$1,910

Trial balance effects (for this transaction only):

1010 Fund balance with Treasury		$1,910
1610G Investments in U.S. Treasury Securities Issued by Public Debt	$2,000	
1611G Discount on U.S. Treasury Securities Issued by Public Debt		$90
Totals	**$2,000**	**$2,000**

Financial statement presentation:

Balance sheet:
ASSETS
Entity Assets
Intragovernmental
Investments $1,910

BPD:

1010 Fund Balance with Treasury	$1,910	
2530G (16) Securities Issued by Federal Agencies under General and Special Financing Authority, Net		$1,910

b. Entries to record the purchase of a Treasury security at a premium.

Investing Entity	Security-Issuing Entity
1610G (XX) Investments in U.S. Treasury Securities Issued by Public Debt 1612G (XX) Premium on U.S. Treasury Securities Issued by Public Debt 1010 Fund Balance with Treasury	1010 Fund Balance with Treasury 2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net

Example transaction: The Highway Trust Fund of the Department of Transportation (DOT) (partner code 69) purchased an interest bearing note for $2,200 with a par value of $2,000 and a premium of $200. The entries are as follows:

Highway Trust Fund Account:

Entry:

1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt	$2,000	
1612G (20) Premium on U.S. Treasury Securities Issued by Public Debt	$200	
1010 Fund Balance with Treasury		$2,200

Trial balance effects (for this transaction only):

1010 Fund balance with Treasury		$2,200
1610G Investments in U.S. Treasury Securities Issued by Public Debt	$2,000	
1612G Premium on U.S. Treasury Securities Issued by Public Debt	$200	
Totals	**$2,200**	**$2,200**

Financial statement presentation:

Balance sheet:
ASSETS
Entity Assets
Intragovernmental
Investments $2,200

BPD:

1010 Fund Balance with Treasury	$2,200	
2530G (69) Securities Issued by Federal Agencies under General and Special Financing Authority, Net		$2,200

c. Entries to record the purchase of a Treasury security at par value.

Investing Entity	Security-Issuing Entity
1610G (XX) Investments in U.S. Treasury Securities Issued by Public Debt 1010 Fund Balance with Treasury	1010 Fund Balance with Treasury 2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net

Example transaction: The Federal Highway Trust Fund, DOT (partner code 69) purchased a Treasury security at a par value of $1,000. The entries are as follows:

Highway Trust Fund Account:

Entry:

1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt	$1,000	
1010 Fund Balance with Treasury		$1,000

Trial balance effects (for this transaction only):

1010 Fund balance with Treasury		$1,000
1610G Investments in U.S. Treasury Securities Issued by Public Debt	$1,000	
Totals	**$1,000**	**$1,000**

Financial statement presentation:

Balance sheet:
ASSETS
Entity Assets
Intragovernmental
Investments $1,000

BPD:

1010 Fund Balance with Treasury	$1,000	
2530G (69) Securities Issued by Federal Agencies under General and Special Financing Authority, Net		$1,000

d. Entry to record the purchase of interest with a security purchased at par value.

Investing Entity	Security-Issuing Entity
1340G Interest, Penalty, and Administrative Fees Receivable 1610G (XX) Investments in U.S. Treasury Securities Issued by Public Debt 1010 Fund Balance with Treasury	1010 Fund Balance with Treasury 2140G Accrued Interest Payable* 2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net

*Note: The Bureau of the Public Debt does not record accruals during the course of the year but rather only at fiscal year end. At the time of the transaction BPD would record a credit to 6320G, Interest Expenses. This entry represents what would be reflected on their year-end FACTS reporting.

Example transaction: When a note or bond, bearing a stated semiannual interest rate, is purchased on a date other than an interest payment date the investing entity must purchase interest back to the last interest payment date. On the next interest payment date the entity will receive an interest payment for the full six-month interest period. The Federal Highway Trust Fund, DOT (partner code 69) purchased a Treasury security at a par value of $1,000 plus interest purchased of $50. The entries are as follows:

Highway Trust Fund Account:

Entry:

1340G (20) Interest, Penalty, and Administrative Fees Receivable	$50	
1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt	$1,000	
1010 Fund Balance with Treasury		$1,050

Trial balance effects (for this transaction only):

1010 Fund balance with Treasury		$1,050
1340G Interest, Penalty, and Administrative Fees Receivable	$50	
1610G Investments in U.S. Treasury Securities Issued by Public Debt	$1,000	
Totals	**$1,050**	**$1,050**

Financial statement presentation:

Balance sheet:
ASSETS
Entity Assets
Intragovernmental
Investments $1,050

BPD:

1010 Fund Balance with Treasury	$1,050	
2140G (69) Accrued Interest Payable		$50
2530G (69) Securities Issued by Federal Agencies under General and Special Financing Authority, Net		$1,000

2. **Interest income:** Periodic interest payments are made to trust, revolving or other funds based on the terms of the securities. Most notes and bonds pay interest semi-annually. The following entries are to record the periodic interest paid by BPD on a Treasury Security.

Investing Entity	Security-Issuing Entity
1010 Fund Balance with Treasury 5310G (XX) Interest Revenue	6320G (XX) Interest Expenses 1010 Fund Balance with Treasury

Example transaction: The Civil Service Retirement and Disability Fund managed by the Office of Personnel Management (partner code 24) received a semi-annual interest payment of $5,000 on a Treasury security (partner code 20). The entries are as follows:

Civil Service Retirement and Disability Fund:

Entry:

1010 Fund Balance with Treasury	$5,000	
5310G (20) Interest Revenue		$5,000

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury	$5,000	
5310G Interest Revenue		$5,000
Totals	**$5,000**	**$5,000**

Financial statement presentation:

Balance sheet:
ASSETS
Entity Assets
Intragovernmental
Fund Balance with Treasury $5,000

Statement of Net Cost (exchange revenues):

Earned Revenues (program or non-program)	$5,000	

or

Statement of Changes in Net Position (non-exchange revenues):

Financing source	$5,000	

BPD:

6320G (24) Interest Expenses on Securities	$5,000	
1010 Fund Balance with Treasury		$5,000

3. **Interest accruals:** Interest accruals should be calculated and recorded periodically in accordance with the investing agency's accounting policies and procedures. Interest should be accrued for amounts earned and unpaid at the cut-off date. Interest accrued on September 30 must be verified by the agencies with BPD records and any material differences resolved before submission of the FACTS trial balance. The following are the entries to record accrued interest on investments at September 30.

Investing Entity	Security-Issuing Entity
1340G (XX) Interest, Penalty, and Administrative Fees Receivable 5310G (XX) Interest Revenue	6320G (XX) Interest Expenses 2140G (XX) Accrued Interest Payable

Example transaction: HCFA (partner code 75) has a Treasury bond purchased from BPD (partner code 20) with a par value of $10,000 and an interest rate of 10% payable on June 30 and December 31. As of September 30, accrued interest would be calculated as follows:

3 months = 92 days/184 days x ($10,000 x 10%)/2 = $250.

HCFA:

Entry:

1340G (20) Interest, Penalty, and Administrative Fees Receivable	$250	
5310G (20) Interest Revenue		$250

Trial balance effects (for this transaction only):

1340G Interest, Penalty, and Administrative Fees Receivable	$250	
5310G Interest Revenue		$250
Totals	**$250**	**$250**

Financial statement presentation:

Statement of Net Cost (Exchange revenues):		
Earned Revenues (program or non-program)	$250	
or		
Statement of Changes in Net Position (non-exchange revenues):		
Financing source	$250	

BPD:

6320G (75) Interest Expenses on Securities	$250	
2140G (75) Accrued Interest Payable		$250

4. **Amortization of premium or discount:** Amortized premiums and discounts should be calculated using the effective interest method (as outlined in SFFAS No. 1). Amortization schedules for premiums and discounts should be available for BPD to reconcile to its records at the end of each fiscal year (at a minimum).

a. Entries to record the amortization of premium.

Investing Entity	Security-Issuing Entity
5310G (XX) Interest Revenue 1613G (XX) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net 6320G (XX) Interest Expenses

Example transaction: The Social Security Administration Federal Disability Insurance Trust Fund (partner code 28) purchased a Treasury security at a premium. The amortization of the premium for the current fiscal year is $8,000. The entry to record the amortization is as follows:

SSA:

Entry:

5310G (20) Interest Revenue	$8,000	
1613G (20) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt		$8,000

Trial balance effects (for this transaction only):

5310G Interest Revenue	$8,000	
1613G Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt		$8,000
Totals	**$8,000**	**$8,000**

<u>Financial statement presentation:</u>

Statement of Net Cost (exchange revenues):		
Reduction of Earned Revenues (program or non-program)	$8,000	
OR		
Statement of Changes in Net Position (non-exchange revenues):		
Reduction of a financing source	$8,000	

BPD:

2530G (28) Securities Issued by Federal Agencies under General and Special Financing Authority, Net	$8,000	
6320G (28) Interest Expenses on Securities		$8,000

b. Entries to record the amortization of discount.

Investing Entity	**Security-Issuing Entity**
1613G (XX) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt 5310G (XX) Interest Revenue	6320G (XX) Interest Expenses 2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net

Example transaction: The Department of Commerce (partner code 13) purchased a Treasury security at a discount of $10,000. The amortization for the fiscal year ended September 30 is $5,000. The entries are as follows:

Commerce:

<u>Entry:</u>

1613G (20) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	$5,000	
5310G (20) Interest Revenue		$5,000

<u>Trial balance effects (for this transaction only):</u>

1613G Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	$5,000	
5310G Interest Revenue		$5,000
Totals	**$5,000**	**$5,000**

<u>Financial statement presentation:</u>

Statement of Net Cost (exchange revenues):		
Earned Revenues (program or non-program)	$5,000	

OR

Statement of Changes in Net Position (non-exchange revenues):

Financing source	$5,000	

BPD:

6320G (13) Interest Expenses on Securities	$5,000	
2530G (13) Securities Issued by Federal Agencies under General and Special Financing Authority, net		$5,000

5. **Sales of investments:** BPD or the responsible federal agency redeem investments as they mature or as needed to fund federal activities.

a. Entries to record the sale of an investment (at book value) with unamortized premium.

Investing Entity	Security-Issuing Entity
1010 Fund Balance with Treasury 1613G (XX) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt 1610G (XX) Investments in U.S. Treasury Securities Issued by Public Debt 1612G (XX) Premium on U.S. Treasury Securities Issued by Public Debt	2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net 1010 Fund Balance with Treasury

Example transaction: The Highway Trust Fund, DOT (partner code 69) has a Treasury security with a par value of $2,000 which was purchased for a premium of $200. The security was redeemed for $2,100 on September 30. $100 remains unamortized at the end of the period. The entries are as follows:

DOT:

Entry:

1010 Fund Balance with Treasury	$2,100	
1613G (20) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	$100	
1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt		$2,000
1612G (20) Premium on U.S. Treasury Securities Issued by Public Debt		$200

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury	$2,100	
1610G Investments in U.S. Treasury Securities Issued by Public Debt		$2,000
1612G Premium on U.S. Treasury Securities Issued by Public Debt		$200
1613G Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	$100	

Totals	**$2,200**	**$2,200**

Financial statement presentation:

Balance sheet:
ASSETS
Entity Assets
Intragovernmental
Fund Balance with Treasury $2,100

BPD:

2530G (69) Securities Issued by Federal Agencies under General and Special Financing Authority, Net	$2,100	
1010 Fund Balance with Treasury		$2,100

b. Entries to record the sale of a security (with no gain or loss) with unamortized discount.

Investing Entity	Security-Issuing Entity
1010 Fund Balance with Treasury 1611G (XX) Discount on U.S. Treasury Securities Issued by Public Debt 1613G (XX) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt 1610G (XX) Investments in U.S. Treasury Securities Issued by Public Debt	2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net 1010 Fund Balance with Treasury

Example transaction: HCFA (partner code 75) sold a Treasury security issued with a par value of $5,000, original issue discount of $600, and unamortized discount of $300 for $4,700. The entries are as follows:

HCFA:

Entry:

1010 Fund Balance with Treasury	$4,700	
1611G (20) Discount on U.S. Treasury Securities Issued by Public Debt	$600	
1613G (20) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt		$300
1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt		$5,000

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury	$4,700	
1610G Investments in U.S. Treasury Securities Issued by Public Debt		$5,000
1611G Discount on U.S. Treasury Securities Issued by Public Debt	$600	
1613G Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt		$300

Totals	**$5,300**	**$5,300**

Financial statement presentation:

Balance sheet:
ASSETS
Entity Assets
Intragovernmental
Fund Balance with Treasury $4,700

BPD:

2530G (75) Securities Issued by Federal Agencies under General and Special Financing Authority, Net	$4,700	
1010 Fund Balance with Treasury		$4,700

c. Entries to record the sale of a security when there is a gain.

Investing Entity	Security – Issuing Entity
1010 Fund Balance with Treasury 1610G (XX) Investments in U.S. Treasury Securities Issued by Public Debt 1612G (XX) Premium on U.S. Treasury Securities Issued by Public Debt OR 1611G (XX) Discount on U.S. Treasury Securities Issued by Public Debt 1613G (XX) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt (Credit if Discount, Debit if Premium) 7110G (XX) Gains on Disposition of Assets	2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net 6320G (XX) Interest Expenses on Securities 1010 Fund Balance with Treasury

Example transaction: The Employees’ Life Insurance Fund managed by OPM (partner code 24) sells a Treasury security with a par value of $5,000 that was purchased for a premium of $600. The security is sold for $5,600 when the unamortized premium is $300. The entries are as follows:

OPM:

Entry:

1010 Fund Balance with Treasury	$5,600	
1612G (20) Premium on U.S. Treasury Securities Issued by Public Debt		$600
1613G (20) Amortization of Discount and Premium	$300	
1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt		$5,000
7110G (20) Gains on Disposition of Assets		$300

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury	$5,600	
1610G Investments in U.S. Treasury Securities Issued by Public Debt		$5,000
1612G Premium on U.S. Treasury Securities Issued by Public Debt		$600
1613G Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	$300	
7110G Gains on Disposition of Assets		$300
Totals	**$5,900**	**$5,900**

Financial statement presentation:

Balance sheet:	
ASSETS	
Entity Assets	
Intragovernmental	
Fund Balance with Treasury	$5,600
Statement of Net Cost (exchange revenue):	
Earned Revenues (program or non-program)	$300
OR	
Statement of Changes in Net position (non-exchange revenues):	
Financing Source	$300

BPD:

2530G (24) Securities Issued by Federal Agencies under General and Special Financing Authority, Net	$5,300	
6320G (24) Interest Expenses on Securities	$300	
1010 Fund Balance with Treasury		$5,600

d. Entries to record a loss on the sale of a Treasury security.

Investing Entity	Security – Issuing Entity
1010 Fund Balance with Treasury 1610G (XX) Investments in U.S. Treasury Securities Issued by Public Debt 1612G (XX) Premium on U.S. Treasury Securities Issued by Public Debt OR 1611G (XX) Discount on U.S. Treasury Securities Issued by Public Debt 1613G (XX) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt (Credit if Discount, Debit if Premium) 7210G (XX) Losses on Disposition of Assets	2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net 6320GG (XX) Interest Expenses on Securities 1010 Fund Balance with Treasury

Example transaction: The Employees' Life Insurance Fund managed by OPM (partner code 24) sells a Treasury security with a par value of $5,000 that was purchased for a premium of $600. The security is sold for $4,800 when the unamortized premium is $300. The entries are as follows:

OPM:

Entry:

1010 Fund Balance with Treasury	$4,800	
1612G Premium on U.S. Treasury Securities Issued by Public Debt		$600
1613G (20) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	$300	
1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt		$5,000
7210G (20) Losses on Disposition of Assets	$500	

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury	$4,800	
1610G Investments in U.S. Treasury Securities Issued by Public Debt		$5,000
1612G Premium on U.S. Treasury Securities Issued by Public Debt		$600
1613G Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	$300	
7210G Losses on Disposition of Assets	$500	
Totals	**$5,600**	**$5,600**

Financial statement presentation:

Balance sheet:	
ASSETS	
Entity Assets	
Intragovernmental	
Fund Balance with Treasury	$4,800
Statement of Net Cost:	
Program or non-program costs	$500

BPD:

2530G (24) Securities Issued by Federal Agencies under General and Special Financing Authority, Net	$5,300	
6320G (24) Interest Expenses on Securities		$500
1010 Fund Balance with Treasury		$4,800

D. Procedures for Confirming Balances and Reconciling Transactions with Partner Agencies

Balances in agency intragovernmental trial balance accounts should equal the corresponding partner agency trial balance reciprocal accounts on September 30. The following accounts are reciprocal and should equal:

Investing Entity	Security-Issuing Agency
1340G (20) Interest, Penalty, and Administrative Fees Receivable	2140G (XX) Accrued Interest Payable
1610G (20) Investments in U.S. Treasury Securities Issued by Public Debt	2530G (XX) Securities Issued by Federal Agencies under General and Special Financing Authority, Net
1611G (20) Discount on U.S. Treasury Securities Issued by Public Debt	
1612G (20) Premium on U.S. Treasury Securities Issued by Public Debt	
1613G (20) Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	
5310G (20) Interest Revenue	6320G (XX) Interest Expenses on Securities
7110G (20) Gains on Disposition of Assets	
7210G (20) Losses on Disposition of Assets	

Each month the Bureau of the Public Debt (BPD) will send a Statement of Account to the program agencies that invest in the Government Account Series (GAS) securities. This cash basis account statement should be used to reconcile current month activity.

At the end of the fiscal year, BPD will send a Confirmation of Intragovernmental Balances as of September 30, to all agencies investing in GAS securities. This confirmation will be used to reconcile agency SGL account balances with BPD reporting. BPD personnel will be available at (304) 480-5151 for questions regarding BPD's reporting. The Confirmation of Intragovernmental Balances and the Reconciliation of Intragovernmental Balances should be returned to BPD and FMS by November 30, 1999. Questions regarding FACTS and agency reporting should continue to be directed to FMS.

Agencies are required to prepare a reconciliation whenever there are differences between their intragovernmental account balances and the reciprocal account balances with their trading partner. Refer to Part I of this guide for a general discussion on errors and reconciling items and sample reconciliation.

Bureau of the Public Debt
Division of Federal Investments

Confirmation of Account Balances
Fiscal Year Ending September 30, 1999

Agency Name ______________________________
Agency Fund Symbol ______________________ **Partner Code** __________
Contact Name ______________________ **Phone Number** __________
e-mail address ______________________ **Fax Number** __________
Mailing Address ______________________________

The Bureau of the Public Debt (BPD) and the investing agencies must reconcile the following reciprocal accounts at year-end to properly report these amounts in agency financial statements and identify intra-governmental transactions for FACTS reporting.

Issuing Agency (BPD)		**Investing Agency**		**Difference**
SGL	**Amount**	**SGL**	**Amount**	
2140 (XX)	$	1340 (20)	$	$
2530 (XX) Principal	$	1610 (20)	$	$
2530 (XX) Original Discount	$	1611 (20)	$	$
2530 (XX) Original Premium	$	1612 (20)	$	$
2530 (XX) Amortization of Discount and Premium	$	1613 (20)	$	$
6320 (XX)	$	5310 (20) 7110 (20) 7120 (20)		
Total		Total		$

If there are questions regarding BPD's balances, please call the Division of Federal Investments at (304) 480-5151.

Please Check One:

( ) Our records do not agree with BPD's records as indicated above. A Reconciliation Worksheet is attached along with a listing of balances that will be reported to Treasury for Fiscal Year 1999 FACTS I reporting.

( )I hereby certify that the amounts reported by BPD on this confirmation agrees with our agency reciprocal account balances. These amounts will be reported to Treasury for Fiscal Year 1999 FACTS reporting.

Prepared By: ______________________ **Title:** __________
Certified By: ______________________ **Title:** __________
Date: ______________________

Please send the completed confirmation and attachments to the following addresses no later that November 3(

Department of the Treasury
Bureau of the Public Debt
Attn: Division of Federal Investments
Room 106 HB
P.O. Box 1328
Parkersburg, WV 26106-1328

Phone Number: (304) 480-5151
Fax Number : (304) 480-5112

Department of theTreasury
Financial Management Service
Financial Stds. & Rptg. Division
Room 214 A
Hyattsville, MD 20782

Phone Number: (202) 874-9980
Fax Number: (202) 874-7232

III. Borrowings from Treasury and the Federal Financing Bank

A. Nature of Transactions

Borrowings from Treasury: Treasury lends funds to federal government agencies and entities, based on agency specific legislative borrowing authority. BPD tracks and accounts for these loans, including loans made to the Federal Financing Bank (FFB). BPD does not track the loans made from FFB to other federal agencies.

Borrowings from Federal Financing Bank (FFB): FFB engages in lending to various federal entities through the purchase of agency financial assets, the acquisition of agency debt securities, and by providing direct loans on behalf of the agency. The same methodology for recording, tracking and reporting proceeds from borrowing, interest payments, interest accruals and repayments for federal intragovernmental loans should be used for FFB loans. Gains or losses on FFB loans should be recorded in accordance with this guide.

BPD and FFB are charged with providing loans to other agencies and must track these amounts as a loans receivable asset. Concurrent with this treatment is a requirement to accurately record and report interest revenue and accrued interest receivable at year-end.

Agencies borrowing from the General Fund of the Treasury (through BPD) or from the FFB must track and report loans payable, including the related interest expense, and any accrued interest liability at the close of the fiscal year.

Federal agencies and entities incur interest on Treasury borrowings and calculate the interest in accordance with OMB Circular A-34. The agencies and entities remit the interest to Treasury using *SF-1081* *Voucher and Schedule of Withdrawals and Credits* forms. The agencies report this interest expense on the monthly *SF-224* *Statement of Transactions*. The agencies submit the *SF-1081*s to BPD.

Individual agencies are responsible for calculating and documenting interest obligations to either BPD or FFB, including the OMB-mandated interest credit allowances. These calculations are recorded by BPD/FFB as interest revenue and interest receivable for the respective fiscal period.

B. Recognition and Measurement Criteria

Proceeds from the borrowings: Agencies or entities borrowing funds from Treasury through either BPD or FFB record the proceeds at the time the loan was made.

Interest payments: Interest payment terms and rates in the note, Credit Reform Act (CRA) legislation, or enabling legislation should be used to track and report interest expenses on behalf of the borrowing entity.

Interest income: Interest income should be recorded when earned by the entity.

Interest accruals: Interest accruals represent the amount of unpaid interest due between the last interest payment date and the reporting date.

Principal repayments: Agencies or entities borrowing funds should record repayments of principal when they occur.

Gains and losses on FFB loans: Agencies or entities with gains or losses on early disposition of FFB loans should record the gain or loss when it is incurred.

SGL accounts: The following SGL accounts are used for recording these transactions:

Borrowing Entity	Issuing Agency
1010 Fund Balance with Treasury 2510G (XX) Principal Payable to Treasury 2520G (XX) Principal Payable to the Federal Financing Bank 2140G (XX) Accrued Interest Payable 6310G (XX) Interest Expenses on Borrowing from Treasury 7190G (XX) Other Gains 7290G (XX) Other Losses	1010 Fund Balance with Treasury 1340G (XX) Interest, Penalty, and Administrative Fees Receivable 1350G (XX) Loans Receivable 2980G (XX) Custodial Liability (BPD) 5310G (XX) Interest Revenue 7110G (XX) Gains on Disposition of Assets 7210G (XX) Losses on Disposition of Assets

C. Illustrative Entries, Trial Balances and Financial Statements

1. **Proceeds from Borrowing:** Entries to record program agency borrowings from BPD or FFB.

Borrowing Entity	BPD/FFB
1010 Fund Balance with Treasury 2510G (20) Principal Payable to Treasury OR 2520G (20) Principal Payable to the Federal Financing Bank	1350G (XX) Loans Receivable 1010 Fund Balance with Treasury (FFB) OR 2980G (XX) Custodial Liability (BPD)

Example transaction: The Department of Education (partner code 91) borrows $20,000 from BPD to finance student loans. The entries are as follows:

Education:

Entry:

1010 Fund Balance with Treasury	$20,000	
2510G (20) Principal Payable to Treasury		$20,000

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury	$20,000	
2510G Principal Payable to Treasury		$20,000
Totals	**$20,000**	**$20,000**

Financial statement presentation:

Balance sheet:
LIABILITIES
Liabilities Covered by Budgetary Resources
Intragovernmental liabilities
Debt $20,000

BPD:

1350G (91) Loans Receivable	$20,000	
2980G(91) Custodial Liability		$20,000

2. Interest Payments: Entries to record program agency interest payments.

Borrowing entity	BPD/FFB
6310G (20) Interest Expenses on Borrowing from Treasury 1010 Fund Balance with Treasury	1010 Fund balance with Treasury (FFB) OR 2980G (XX) Custodial Liability (BPD) 5310G (XX) Interest Revenue

Example transaction: The Department of Agriculture, Rural Development Program, (partner code 12) pays a periodic interest payment of $6,000 to FFB. The entries are as follows:

Agriculture:

Entry:

6310G (20) Interest Expenses on Borrowing from Treasury	$6,000	
1010 Fund Balance with Treasury		$6,000

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury		$6,000
6310G Interest Expenses on Borrowing from Treasury	$6,000	
Totals	**$6,000**	**$6,000**

Financial statement presentation:

Statement of Net Cost:	
Program or non-program	
Interest expense	$6,000

FFB:

1010 (12) Fund Balance with Treasury	$6,000	
5310G(12) Interest Revenue		$6,000

3. Interest Accruals: Entries to record interest due and not paid as of the periodic reporting date.

Borrowing entity	BPD/FFB
6310G (XX) Interest Expenses on Borrowings from Treasury 2140G (XX) Accrued Interest Payable	1340G (XX) Interest, Penalty, and Administrative Fees Receivable 5310G (XX) Interest Revenue

Example transaction: The Small Business Administration (partner code 73) accrues interest of $8,000 on its borrowings from Treasury under CRA. The entries are as follows:

Small Business Administration:

Entry:

6310G (20) Interest Expenses on Borrowing from Treasury	$8,000	
2140G (20) Accrued Interest Payable		$8,000

Trial balance effects (for this transaction only):

2140G Accrued Interest Payable		$8,000
6310G Interest Expenses on Borrowing from Treasury	$8,000	
Totals	**$8,000**	**$8,000**

Financial statement presentation:

Statement of Net Cost:	
Program or non-program	
Interest expense	$8,000

BPD:

1340G (73) Interest, Penalty, and Administrative Fees Receivable	$8,000	
5310G (73) Interest Revenue		$8,000

4. Principal Repayments: Entries to record principal repayments.

Borrowing Entity	**BPD/FFB**
2510G (20)Principal Payable to Treasury OR 2520G (20) Principal Payable to the Federal Financing Bank 1010 Fund Balance with Treasury	1010 Fund Balance with Treasury (FFB) OR 2980 (XX) Custodial Liability (BPD) 1350G (XX) Loans Receivable

Example transaction: The Department of Education (partner code 91) borrows $20,000 from BPD to finance student loans and repays $1,000 at the end of the first fiscal year. The entries are as follows:

Education:

Entry:

2510G (20) Principal Payable to Treasury	$1,000	
1010 Fund Balance with Treasury		$1,000

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury		$1,000
2510G Principal Payable to Treasury	$1,000	
Totals	**$1,000**	**$1,000**

Financial statement presentation (proceeds net of repayment):

Balance sheet:
LIABILITIES
Liabilities Covered by Budgetary Resources
Intragovernmental liabilities
Debt $19,000

BPD:

2980G(91) Custodial Liability	$1,000	
1350G (91) Loans Receivable		$1,000

5. Gains or losses on the disposition of FFB loans: Entries to record the early disposition of an FFB loan when there is a gain or loss.

a. To record a gain on the disposition of FFB debt.

Borrowing Entity	FFB
2520G (20) Principal Payable to the Federal Financing Bank 1010 Fund Balance with Treasury 7190G (XX) Other Gains	1010 Fund Balance with Treasury 7210G (XX) Loss on Disposition of Assets 1350G (XX) Loans Receivable

Example transaction: The Department of Agriculture (partner code 12) prepays a $5,000 FFB loan for $4,800. The entries are as follows:

Agriculture:

Entry:

2520G (20) Principal Payable to the Federal Financing Bank	$5,000	
1010 Fund Balance with Treasury		$4,800
7190G (20) Other Gains		$200

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury		$4,800
2520G Principal Payable to the Federal Financing Bank	$5,000	
7190G Other Gains		$200
Totals	**$5,000**	**$5,000**

Financial statement presentation:

Statement of Net Cost (exchange revenue):	
Earned Revenues (program or non-program)	$200
OR	
Statement of Changes in Net position (non-exchange revenues):	
Financing Source	$200

FFB:

1010 Fund Balance with Treasury	$4,800	
7210G (12) Losses on Disposition of Assets	$200	
1350G (12) Loans Receivable		$5,000

b. Entries to record a loss on the disposition of FFB debt.

Borrowing Entity	FFB
2520G (20) Principal Payable to the Federal Financing Bank 7290G (XX) Other Losses 1010 Fund Balance with Treasury	1010 Fund Balance with Treasury 1350G (XX) Loans Receivable 7110G (XX) Gains on Disposition of Assets

Example transaction: The Department of Agriculture (partner code 12) prepays a $5,000 FFB loan for $5,800. The entries are as follows:

Agriculture:

Entry:

2520G (20) Principal Payable to the Federal Financing Bank	$5,000	
7290G (20) Other Losses	$800	
1010 Fund Balance with Treasury		$5,800

Trial balance effects (for this transaction only):

1010 Fund Balance with Treasury		$5,800
2520G Principal Payable to the Federal Financing Bank	$5,000	
7290G Other Losses	$800	
Totals	**$5,800**	**$5,800**

Financial statement presentation:

Statement of Net Cost:	
Program or non-program costs	$800

FFB:

1010 Fund Balance with Treasury	$5,800	
1350G (12) Loans Receivable		$5,000
7110G (12) Gains on Disposition of Assets		$800

D. Procedures for Confirming Balances and Reconciling Transactions with Partner Agencies

Agency intragovernmental trial balance amounts should equal the corresponding partner agency trial balance reciprocal accounts on September 30. The process for initiating and tracking loan information provides for reconciliations between FMS, which transfers the funds to borrowing agencies and BPD and FFB which serve as the agencies charged with accounting for loan activity. The process does not provide for reconciliations between the borrowing agencies and BPD and FFB. This guidance describes reconciliation procedures between the borrowing agencies and BPD and FFB. The following accounts should equal:

Borrowing Agency	BPD/FFB
2510G (XX) Principal Payable to Treasury OR 2520G (XX) Principal Payable to the Federal Financing Bank	1350G (XX) Loans Receivable
6310G (XX) Interest Expenses on Borrowing from Treasury	5310 (XX) Interest Revenue
2140G (XX) Accrued Interest Payable	1340G (XX) Interest, Penalty, and Administrative Fees Receivable
7190G (XX) Other Gains	7110G (XX) Gains on Disposition of Assets
7290G (XX) Other Losses	7210G (XX) Losses on Disposition of Assets

Reconciliation of amounts borrowed: At the end of each month, FMS forwards to BPD and FFB a copy of its Borrowings Query (STAR generated) report with the month end loan balances. The Borrowings Query report can be used by BPD and FFB to reconcile month ending loan balances with information maintained by FMS. Lending agencies (BPD, FFB) should reconcile their SF1151 subsidiary ledger to the FMS generated Borrowings Query on a monthly basis. Any differences identified by this reconciliation should be investigated and resolved by the end of the next month. In addition to reconciling with FMS monthly, BPD and FFB should confirm outstanding loans receivable balances as of September 30, with partner agencies. This confirmation and reconciliation of loans payable should be completed within 60 days after the close of the fiscal year.

Reconciliation of interest paid and accrued: The interest calculations for certain loans accounted for by BPD and FFB are extremely complex particularly those related to loans made under the Credit Reform Act (CRA). In some cases BPD and FFB calculate interest due on federal agency borrowings. In other situations, due to the complexity of the calculation, the borrowing agency calculates interest due. The program agencies are charged with providing the lending agency with information detailing their calculation of interest expense for the fiscal period. These calculations will be used to substantiate the amounts reported on the *SF1081*, which will in turn be used to post the interest received. Borrowing and lending agencies should confirm and reconcile interest amounts at the end of each fiscal year.

Reconciliation of Principal and Interest between the BPD and the borrowers: The BPD Agency Account Balance Report and Confirmation of Account Balances form (attachment) will be provided by BPD to all borrowers for reconciliation purposes within 45 days following the close of the fiscal year. The borrowing agency must confirm and reconcile the principal SGL account to the borrowers reciprocal SGL account. Agencies that identify a difference in the account balances should contact the BPD representative no later than 75 days following the close of the fiscal year. If the agency's records do not agree to the BPD report, the agency should provide an explanation and or reconciliation, as applicable, for the differences. The SGL account balances to be reported to FACTS must be submitted also. This information along with the confirmation form certifying that the agency has reviewed the account balances will assist FMS in properly eliminating intragovernmental balances.
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Reconciliation of Principal and Interest between the FFB and the borrowers: The FFB Agency Account Balance Report and Confirmation of Account Balances form (attachment) will be provided by FFB to all borrowers for reconciliation purposes within 45 days following the close of the fiscal year. The borrowing agency must confirm each FFB SGL account to the borrower's reciprocal SGL account. Agencies that identify a difference in the account balances should contact the FFB representative no later than 60 days after the close of the fiscal year. If the agency records do not agree to the FFB report, the agency should provide an explanation and or reconciliation, as applicable, for the differences. The SGL account balances to be reported to FACTS must be submitted also. This information along with the confirmation form certifying that the agency has reviewed the account balances will assist FMS in properly eliminating intragovernmental balances.

Agencies are required to prepare a reconciliation whenever reconciling items attribute to differences between their intragovernmental account balances and the reciprocal account balances with their trading partner. Refer to Part I of this guide for a general discussion on errors and reconciling items and a sample reconciliation worksheet.

Bureau of the Public Debt
Confirmation of Account Balances
Fiscal Year Ended ________________

Agency Name: ....
Agency Fund Symbol:.. Partner Code:................
Contact Name:... Phone No:.....................
e-mail Address:.. Fax No:.........................
Mailing Address:...

The Bureau of Public Debt (BPD) and the borrowing agencies must reconcile to the following reciprocal accounts at year-end to properly identify intragovermental transactions for the Federal Agencies' Centralized Trial Balance System (FACTS).

Borrowing Entity	**Balance**	**Issuing Agency (BPD)**	**Balance**
2510G Principal Payable to Treasury	$..................................	1350G Loans Receivable	$................................
6310G Interest Expense on Borrowing from Treasury	$..................................	5310G Interest Revenue	$.................................
2140G Accrued Interest Payable	$..................................	1340G Interest, Penalty and Administrative Fees Receivable	$.................................

Please check one:
( ) I hereby certify that the amounts reported by BPD on the account balance report agree with our agency reciprocal account balances to be reported to FACTS.

( ) Our records do not agree with the amounts reported by the BPD on the account balance report. An explanation of the differences and a listing of our agency reciprocal account balances to be reported to FACTS I are attached. If applicable, a Reconciliation of Intragovernmental Balances is attached.

Name of Certifying Officer:.. Title:...
Signature:..…………………………………………………
Date:...…………………………………………………

Please send the completed form no later than 75 days after the close of the fiscal year to:

Department of the Treasury
Bureau of the Public Debt
Borrowings Team, Room 114-HB
P.O. Box 1328
Parkersburg, WV 26106-5716
Phone No. (304) 480-5171
Fax. No. (304) 480-5176

Department of the Treasury
Financial Management Service
Financial Standards. & Reporting.
Rm. 214A
Hyattsville, MD 20782
Phone No. (202) 874-9980
Fax No. (202) 874-7232

Federal Financing Bank
Confirmation of Account Balances
Fiscal Year Ended ________________

Agency Name: ....
Agency Fund Symbol:... Partner Code:.................
Contact Name:... Phone No:......................
e-mail Address:.. Fax No:..........................
Mailing Address:...

The borrowing agency must reconcile to the Federal Financing Bank (FFB) reciprocal accounts at year-end to properly identify intragovernmental transactions for the Federal Agencies' Centralized Trial-Balance System (FACTS) reporting.

Borrowing Entity	**Balance**	**Issuing Agency (FFB)**	**Balance**
2520G Principal Payable to The Federal Financing Bank	$..................................	1350G Loans Receivable	$.................................
6310G Interest Expense on Borrowing from Treasury	$..................................	5310G Interest Revenue	$.................................
2140G Accrued Interest Payable	$..................................	1340G Interest, Penalty and Administrative Fees Receivable	$.................................
7190G Other Gains	$..................................	7110G Gains on Disposition of Assets	$.................................
7290G Other Losses	$..................................	7210G Losses on Disposition of Assets	$.................................

Please check one:
( ) I hereby certify that the amounts reported by FFB on the account balance report agree with our agency reciprocal account balances to be reported to FACTS.

( ) Our records do not agree with the amounts reported by FFB on the account balance report. An explanation of the differences and a listing of our agency reciprocal account balances to be reported to FACTS I are attached. If applicable, a Reconciliation of Intragovernmental Balances is attached.

Name of Certifying Officer... Title:..
Signature:..………………………………………………...
Date:...……………………………………………………

Please send the completed form no later than 60 days after the close of the fiscal year to:

Department of the Treasury
Federal Financing Bank
1500 Penn. Ave. NW, Room 3054
Washington, DC 20220
Phone No. (202) 622-2470
Fax. No. (202) 622-2539

Department of the Treasury
Financial Management Service
Financial Standards. & Reporting
Rm. 214A
Hyattsville, MD 20782
Phone No. (202) 874-9980
Fax No. (202) 874-7232

IV. Transactions with the Department of Labor relating to the Federal Employees' Compensation Act

A. Nature of transactions

The Federal Employees' Compensation Special Benefit Fund was established under the authority of the Federal Employees' Compensation Act (FECA). The FECA Special Benefits Fund pays for income lost and medical costs for federal civilian employees injured on the job, employees who have incurred a work-related occupational disease and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease.

Accrued FECA liability: The FECA Special Benefits Fund pays benefits on behalf of federal entities as costs are incurred and bills (charges back) the federal entity annually (August 15) for the costs incurred during the previous fiscal year ended June 30 (July 1 – June 30). Federal entities fund the FECA payments through appropriations or operating revenues. For appropriated funds, the payment is due at the beginning of the second fiscal year after receipt of the bill (approximately 15 months). These liabilities due to the FECA Special Benefits Fund are recorded by the federal entities as unfunded (if annual appropriations are used) at the time of receipt of the bill.

FECA actuarial liability: Annually, federal entities are allocated the portion of the long term FECA actuarial liability attributable to the entity. The liability is calculated to estimate the expected liability for death, disability, medical and miscellaneous costs for approved compensation cases. The liability amounts and the calculation methodologies are provided by DOL to the federal entities by October 31 for the previous fiscal year ended September 30.

B. Recognition and Measurement Criteria

Accrued FECA liability: Federal entities with annual appropriations should recognize the unfunded liability for the chargebacks at the time of receipt of the bill. The amount recorded should equal the amount billed by DOL. Generally, Federal entities with no-year appropriations should recognize a funded liability and the funding availability at the time of the receipt of the chargeback from DOL.

On or before August 15 of each year DOL submits a yearly billing (chargeback) report to federal entities. The report is entitled Notification of Workers' Compensation Cost Incurred on Your Behalf (annual chargeback report) and covers the preceding July 1 through June 30 fiscal year. Additionally, each entity receives a quarterly Detailed Chargeback Report. The quarterly report provides a detailed listing of amounts paid by the FECA fund during the previous quarter. The current year FECA expense and total liability will be calculated using information contained in these reports. In general, the FECA expense and liability will be calculated as follows:

<u>Accrued FECA liability:</u>

The amount of accrued FECA liability (unfunded) for the year ended September 30, 19X2 should equal:

Add: Annual FECA Chargeback Report for the period July 1, 19X0 through June 30, 19X1.
Add: Annual FECA Chargeback Report for the period July 1, 19X1 through June 30, 19X2.
Add: Quarterly FECA Chargeback Report for the quarter ended September 30, 19X2.

FECA expense:

The current year expense should equal:

Add: Annual FECA Chargeback Report for the period July 1, 19X1 through June 30, 19X2.
Add: Quarterly FECA Chargeback Report for the quarter ended September 30, 19X2.
Less: Quarterly FECA Chargeback Report for the quarter ended September 30, 19X1.

When the federal agencies receive budgetary authority to pay DOL for the accrued FECA costs, the unfunded FECA liability should be reclassified to funded liability. The funded liability will be reduced when the payment of the chargeback is made to DOL-FECA. Federal entities with no year appropriations should record a funded liability upon receipt of the billing from DOL.

FECA actuarial liability: Each federal entity should record its portion of the FECA actuarial liability based on amounts provided by DOL. Each year, Federal entities should record the change in the actuarial liability. The entity's actuarial liability balance should equal the amounts provided by DOL. The expense incurred for the year should equal the difference between the current year's liability and the liability for the previous year.

The following series of SGL accounts are used for recording these transactions.

Federal Agency	DOL
1010 Fund Balance with Treasury	1010 Fund Balance with Treasury
2190G Other Accrued Liabilities	1310G Accounts Receivable
2220G Accrued Unfunded Liabilities	5400G Benefit Program Revenue
2690N Actuarial Liabilities	
6400G Benefit Expense	
6800G Future Funded Expenses	
7600N Changes in Actuarial Liability	

C. Illustrative Entries, Trial Balances and Financial Statements

Example transaction data: The Department of Justice (DOJ) received the following reports/information from DOL:

I. Quarterly FECA Chargeback Report:

July 1, 1998 - September 30, 1998	$4,000,000
July 1, 1999 - September 30, 1999	$3,000,000

II. Notification of Workers Compensation Cost Incurred on Your Behalf by DOL Employment Standard Administration Report (Annual FECA Chargeback Report):

	July 1, 1996 – June 30, 1997	$15,000,000
	July 1, 1997 – June 30, 1998	$18,000,000
	July 1, 1998 – June 30, 1999	$20,000,000
III.	Accrued FECA liability for fiscal year 1998 (prior year trial balance)	$37,000,000
IV.	DOL Actuarial Liability Estimates for Future Workers' Compensation Benefits Report:	
	Fiscal year 1998	$140,000,000
	Fiscal year 1999	$160,000,000

The following sections provide the fiscal year 1999 beginning trial balance, accounting entries, preclosing trial balance and financial statements for the DOJ (partner code 15) and the DOL (partner code 16) based on the above information.

1. Accrued FECA Liability and Expense: Federal entities receive FECA chargeback reports from the DOL and record accruals for the unfunded FECA liability and expense incurred during the current fiscal year. (If the federal entity has no year appropriations, the FECA liability would be funded).

Department of Justice Example:

The DOJ unfunded FECA liability and FECA expense for fiscal year 1999 is calculated as follows:

Annual FECA Chargeback for 7/1/97 - 6/30/98	$18,000,000
Annual FECA Chargeback for 7/1/98 - 6/30/99	20,000,000
Quarterly FECA Chargeback for 7/1/99 - 9/30/99	3,000,000
Unfunded FECA liability for fiscal year 1999	**41,000,000**
Unfunded FECA liability for fiscal year 1998	(37,000,000)
Fiscal Year 1999 Unfunded FECA expense	**$4,000,000**
Annual FECA Chargeback for 7/1/98 – 6/30/99	$20,000,000
Quarterly FECA Chargeback for 7/1/98 – 9/30/98	(4,000,000)
Quarterly FECA Chargeback for 7/1/99 – 9/30/99	3,000,000
Fiscal Year 1999 total FECA expense	**$19,000,000**

Beginning Trial Balance 10/1/98:

3310 Cumulative Results of Operations	$37,000,000	
2220G (16) Accrued Unfunded Liability		$37,000,000

Accounting Transactions for Fiscal Year 1999:

- **Entry to realize, apportion, and allot the appropriation for the Annual FECA Chargeback 7/1/96 – 6/30/97:**

1010 Fund Balance with Treasury	$15,000,000	
3100 Unexpended Appropriation		$15,000,000

- **Entry to reclassify unfunded accrued FECA liability and expense to funded accrued FECA liability and expense for the Annual FECA Chargeback 7/1/96 – 6/30/97**:

2220G (16) Accrued Unfunded Liability	$15,000,000	
2190G (16) Other Accrued Liability		$15,000,000
6400G (16) Benefit Expense	$15,000,000	
6800G (16) Future Funded Expense		$15,000,000
3100 Unexpended Appropriation	$15,000,000	
5700 Appropriations Used		$15,000,000

- **Entry to record DOJ payment to DOL for Annual FECA Chargeback 7/1/96 – 6/30/97:**

2190G (16) Other Accrued Liabilities	$15,000,000	
1010 Fund Balance with Treasury		$15,000,000

- **Entry to record DOJ accrued FECA expense for fiscal year 1999:**

6800G (16) Future Funded Expense	$19,000,000	
2220G (16) Accrued Unfunded Liability		$19,000,000

Preclosing Trial Balance 9/30/99:

2220G (16) Accrued Unfunded Liability		$41,000,000
3310 Cumulative Results of Operations	$37,000,000	
5700 Appropriated Capital Used		$15,000,000
6400G (16) Benefit Expense	$15,000,000	
6800G (16) Future Funded Expenses	$4,000,000	

Fiscal Year 1999 DOL Financial Statement Presentation:

Balance sheet:

Liabilities	
Liabilities Not Covered by Budgetary Resources	
Intragovernmental liabilities	
Other	$41,000,000
Net Position	
Cumulative Results of Operations	($41,000,000)

Statement of Net Cost:

Intragovernmental	
Program Expenses	$19,000,000
Net Cost of Operations	$19,000,000

Statement of Changes in Net Position:

Net Cost of Operations	($19,000,000)

Financing Sources:	
Appropriations Used	15,000,000
Net Results of Operations	(4,000,000)
Net Position – Beginning of Period	(37,000,000)
Net Position – End of Period	$(41,000,000)

Department of Labor Example:

Beginning Trial Balance 10/1/98:

1010 Fund Balance with Treasury	$ 8,000,000	
1310G (15) Accounts Receivable (unfunded)	$37,000,000	
3310 Cumulative Results of Operations		$45,000,000

Accounting Transactions for Fiscal Year 1999:

- **Entry to record availability for DOJ reimbursement to DOL for 7/1/96 – 6/30/97 Annual Chargeback:**

1310G (15) Accounts Receivable (funded)	$15,000,000	
1310G (15) Accounts Receivable (unfunded)		$15,000,000
5400G (15) Benefit Program Revenue (unfunded)	$15,000,000	
5400G (15) Benefit Program Revenue (funded)		$15,000,000

- **Entry to record DOJ payment to DOL for 7/1/96 – 6/30/97 Annual Chargeback:**

1010 Fund Balance with Treasury	$15,000,000	
1310G (15) Accounts Receivable (funded)		$15,000,000

- **Entry to record DOL payment of FECA claims on behalf of DOJ:**

6400N Benefit Expense	$19,000,000	
1010 Fund Balance with Treasury		$19,000,000

- **Entry to record DOJ portion of fiscal year 1999 FECA revenue:**

1310G (15) Accounts Receivable (unfunded)	$19,000,000	
5400G (15) Benefit Program Revenue (unfunded)		$19,000,000

Preclosing Trial Balance 9/30/99:

1010 Fund Balance with Treasury	$ 4,000,000	
1310G (15) Accounts Receivable (unfunded)	$41,000,000	
3310 Cumulative Results of Operations		$45,000,000
5400G (15) Benefit Program Revenue (funded)		$15,000,000
5400G (15) Benefit Program Revenue (unfunded)		$ 4,000,000
6400N Benefit Expense	$19,000,000	

Fiscal Year 1999 Financial Statement Presentation:

Balance sheet:

Assets	
Entity	
Intragovernmental	
Fund Balance with Treasury	$ 4,000,000
Accounts Receivable, net	41,000,000
Total Assets	$45,000,000
Net Position	
Cumulative Results of Operations	$45,000,000

Statement of Net Cost:

Program Costs	$19,000,000
Less Earned Revenues	(19,000,000)
Net Cost of Operations	$ 0

Statement of Changes in Net Position:

Net Cost of Operations	$ 0
Net Position – Beginning of Period	45,000,000
Net Position – End of Period	$45,000,000

2. **Actuarial FECA Liability:** Federal entities record the change in the FECA actuarial liability to adjust the liability to equal the amount provided by DOL on the Actuarial Liability Estimates for Future Workers Compensation Benefits Report. Actuarial liabilities for future benefits should be recorded in federal entity records as N transactions. **The DOL does not record a corresponding entry. Additionally, budgetary accounting is not required when recording transactions related to the actuarial liability.**

Department of Justice Example:

The DOJ change in the FECA actuarial liability is calculated as follows:

Fiscal Year 1999	$160,000,000
Fiscal Year 1998	(140,000,000)
Fiscal Year 1999 Actuarial expense	$ 20,000,000

Beginning Trial Balance 10/1/98:

	Debit	Credit
2690N Actuarial Liability		$140,000,000
3310 Cumulative Results of Operations	$140,000,000	

Accounting Transactions for Fiscal Year 1999:

- **Entry to record the change in the FECA actuarial liability:**

7600N Changes in Actuarial Liability	$20,000,000	
2690N Actuarial Liability		$20,000,000

Preclosing Trial Balance 9/30/99:

2690N Actuarial Liability		$160,000,000
3310 Cumulative Results of Operations	$140,000,000	
7600N Changes in Actuarial Liability	$20,000,000	

Fiscal Year 1999 Financial Statement Presentation:

Balance sheet:	
Liabilities	
Liabilities Not Covered by Budgetary Resources	
Other	$160,000,000
Net Position	
Cumulative Results of Operations	($160,000,000)
Statement of Net Cost:	
With the Public	
Future Funded Expenses	$20,000,000
Net Cost of Operations	$20,000,000
Statement of Changes in Net Position:	
Net Cost of Operations	($20,000,000)
Net Position – Beginning of Period	(140,000,000)
Net Position – End of Period	($160,000,000)

D. Procedures for Confirming Balances and Reconciling Transactions with Partner Agencies

The total amount due to DOL for accrued FECA liability should equal the amount DOL has as receivable at September 30. The amount of FECA actuarial liability recorded by the federal entity should equal the amount DOL allocated to the entity.

For elimination entry purposes the following accounts should reconcile:

Federal Entity	DOL
6400G(16) Benefit Expense 6800G(16) Future Funded Expenses	5400G(XX) Benefit Program Revenue
2220G(16) Accrued Unfunded liabilities 2190G(16) Other Accrued Liability	1310G(XX) Accounts Receivable

Agencies are required to provide the balances in the following intragovernmental accounts on the attached Confirmation of Intragovernmental Account Balances:

- 6400G Benefit Expense
- 6800G Funded Expenses
- 2200G Accrued Unfunded Liabilities
- 2190G Other Accrued Unfunded Liability
- 2690N Other Actuarial Liabilities
- 7600N Changes in Actuarial Liability

For the above accounts it is critical that you report only those balances associated with the Federal Employees' Compensation Act (FECA).

Upon receipt, DOL will compare the amount you report for agency accounts 6400G and 6800G to the amount recorded for your agency in DOL account 5400G - Benefit Program Revenue. The balance reported for your agency accounts 2220G and 2190G will be compared to the amount recorded for your agency in DOL account 1310G. If this comparison reveals material differences, DOL will contact the individual named on the Confirmation of Intragovernmental Account Balances to resolve the difference(s). Agencies will be expected to provide information to explain and reconcile, as applicable, any differences. The Department of Labor does not have corresponding accounts for agency accounts 2690N and 7600N.

It is critical that the account balances reported on the confirmation equal the amounts reported on the FACTS submission to FMS.

Agencies are required to prepare a reconciliation whenever reconciling items attribute to differences between their intragovernmental account balances and the reciprocal account balances with their trading partner. Refer to Part I of this guide for a general discussion on errors and reconciling items and a sample reconciliation.

U.S. Department of Labor
Confirmation of Intragovernmental Account Balances
Fiscal Year 1999

General Information

1. Department
2. Contact Name
3. Phone
4. E-Mail Address
5. Fax
6. Mailing Address

Account Balances

7.	FECA portion of SGL Account 2190G balance at the end of the fiscal year 1999………………………………………	$
8.	FECA portion of SGL account 2220G balance at the end of the fiscal year 1999………………………………………....	$
9.	Total of line 7 plus line 8………………………………………………………………………...…	$
10.	FECA portion of SGL account 6400G balance at the end of the fiscal year 1999………………………………………………………………………………..	$
11.	FECA portion of SGL account 6800G balance at the end of the fiscal year 1999	$
12.	Total of line 10 plus line 11.:………………………………………………………………………..	$
13.	FECA portion of SGL account 2690 N balance at the end of the fiscal year 1999	$
14.	FECA portion of SGL account 7600 N balance at the end of the fiscal year 1999	$

15. Explanations. Use additional attachments if necessary.

16. Prepared by:	Title:
17. I hereby certify that the amounts reported above agree with amounts to be reported for FY 1999 FACTS I submission to Treasury.	
18. Signature:	Date:

Send the original completed form with signature by facsimile to:
U.S. Department of Labor
OCFO, Division of Financial Statements
Facsimile number (202)219-1711

Retain a copy at agency and submit original to DOL
DUE DATE: January 1, 2000

Or by mail to:

U.S. Department of Labor
OCFO, Division of Financial Statements
200 Constitution Avenue
Room S4214
Washington, DC 20210

Telephone number: (202)219-5844

V. Transactions with the Office of Personnel Management (OPM) relating to Employee Benefit Programs

A. Nature of transactions

OPM administers three earned benefit programs for civilian Federal employees: the Retirement Program - comprised of the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS); the Federal Employees Health Benefits Program (FEHB); and the Federal Employees Group Life Insurance Program (FEGLI).

Contributions by and for covered employees are due to OPM on the day the employee is paid and are recognized by OPM as a receivable [account 1310] and exchange revenue [account 5400] at that time. Simultaneously, employing agencies recognize an expense [account 6400] and a payable [account 2210].

The payroll operations of many agencies are cross-serviced. The agencies providing these services should furnish to their client agencies the information needed to meet all FACTS reporting requirements relating to Retirement, Health Benefits and Life Insurance. It is the responsibility of the employer agency to ensure that this information is received and used to report expenses and liabilities to FACTS and to OPM on the Benefit Remittance Report.

B. Recognition and Measurement Criteria

Retirement program: OPM administers a Retirement Program that includes two components of defined benefits: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).

The CSRS is a stand-alone plan covering most Federal employees hired before 1984, and is closed to new members.

Using Social Security as a base, the FERS provides a defined benefit and a thrift savings plan generally to employees who first entered a covered position on or after January 1, 1984. OPM administers only the defined benefit portion of the FERS.

For the CSRS, the law fixes the contributions by and for most participants at a combined 15.76 percent of basic pay for FY 1999. As the estimated (service) cost to provide a future CSRS benefit to most CSRS employees is 24.2 percent, combined contributions by and for most participants do not cover the cost of the CSRS. For FERS, the 1999 service cost of providing future benefits to most FERS employees cost is intended to be fully funded by the combined employee and employer contributions of 11.5 percent of basic pay.

Since total contributions by and for covered employees fall short of the service cost of the Program, SFFAS No. 5 requires that employing agencies recognize their share of this "shortfall" as an imputed cost. By October 15, via a Financial Management Letter, OPM provides to employing agencies the "cost factors" needed to calculate and post imputed cost. The imputed cost, which is recorded as a debit to account 6730G, Imputed Costs and a credit to account 5780G, Imputed Financing Sources, is eliminated at the government-wide level for the consolidated financial report. Note, all agencies are required to use the two-digit department code "00" for both the 6730G, Imputed Costs, and 5780G, Imputed Financing Sources, SGL accounts.

Health Benefits Program: The Federal Employees Health Benefit Program (FEHBP) provides health benefits for covered employees and annuitants. The FEHBP is contributory, with the full cost of premiums shared by the covered participant and his/her employer. For covered annuitants, the employer contribution is from an OPM appropriation. Based upon a formula in law, participants contribute approximately 60 percent of the cost of premiums, with the applicable employing agency contributing the remainder.

The FEHBP accrues, as a Post retirement Health Benefits Liability, the future cost of health benefits expected to be paid in the future to current employees and annuitants. Since there is no provision in law requiring the employing agency or the covered employee to make contributions for Post retirement Health Benefits, SFFAS No. 5 requires employing agencies to recognize their share of that cost as an imputed cost. The OPM annual Financial Management Letter provides employing agencies with the information and guidance they need to compute their imputed cost. The imputed cost, which is recorded as a debit to account 6730G, Imputed Costs and a credit to account 5780G, Imputed Financing Sources, is eliminated at the government-wide level for the consolidated financial report. Note, all agencies are required to use the two-digit department code "00" for both the 6730G, Imputed Costs, and 5780G, Imputed Financing Sources, SGL accounts.

Life Insurance Program: The Federal Employees Group Life Insurance (FEGLI) is contributory, with the full cost of premiums for basic coverage shared by the covered participant and his/her employer. For covered annuitants, the employer contribution to basic coverage derives from an OPM appropriation. [The cost for the optional coverage is borne entirely by the covered individual.] Based upon a formula in law, participants contribute approximately two-thirds of the cost of premiums, with the applicable employing agency contributing the remainder.

The cost to provide Post Retirement Life Insurance is not fully funded. SFFAS No. 5 requires that employing agencies recognize their share of the unfunded cost as an imputed cost. To calculate their imputed expense, OPM provides annually to employing agencies a Life Insurance "cost factor. The imputed cost, which is recorded as a debit to account 6730G, Imputed Costs and a credit to account 5780G, Imputed Financing Sources, is eliminated at the government-wide level for the consolidated financial report. Note, all agencies are required to use the two-digit department code "00" for both the 6730G, Imputed Costs, and 5780G, Imputed Financing Sources, SGL accounts.

The following series of SGL accounts are used for recording these transactions.

Federal Agency	OPM
1010 Fund Balance with Treasury 2210G Accrued Funded Payroll and Benefits 6400G Benefit Expense 6100N Operating Expense/Program Costs 5780G Imputed Financing Sources 6730G Imputed Costs	1010 Fund Balance with Treasury 1310G Accounts Receivable 5400G Benefit Program Revenue 5400N Benefit Program Revenue

C. Illustrative Entries, Trial Balances and Financial Statement Examples

1. Retirement, Health Benefits and Life Insurance

a. **Payroll remittance:** The agency pays its employees and remits CSRS and FERS, Health Benefits and Life Insurance contributions to OPM.

Federal Agency	OPM

6100N Operating Expenses/Program Costs
6400G (24) Benefit Expense
    1010 Fund Balance with Treasury
	1010 Fund Balance with Treasury
	    5400N Benefit Program Revenue
	    5400G (XX) Benefit Program Revenue

Example transaction: The Department of the Interior (partner code 14) has a payroll of $10,000 and employer contribution for Retirement ($850), Health ($250) and Life ($200). The total contribution of $1,300 is remitted to OPM when payroll is disbursed.

Withholdings for employees are for Retirement ($700), Health ($300) and Life Insurance ($100). The total withholding of $1,100 is remitted to OPM when the payroll is disbursed.

Interior entry:

6100N Operating Expenses/Program Costs	$10,000	
6400G (24) Benefit Expense	$1,300	
1010 Fund Balance with Treasury		$11,300

Trial balance effects (for this transaction only):

6100N Operating Expenses/Program Costs	$10,000	
6400G Benefit Expense	$1,300	
1010 Fund Balance with Treasury		$11,300
Totals	**$11,300**	**$11,300**

Financial statement presentation:

Statement of Net Cost:
Program Costs

Intragovernmental	$1,300
Public	$10,000
Net Cost of Operations	$11,300

OPM entry:

1010 Fund Balance with Treasury	$2,400	
5400G (14) Benefit Program Revenue (agency contribution)		$1,300
5400N Benefit Program Revenue (employee withholdings)		$1,100

Financial statement presentation:

Statement of Changes in Net Position:
Program Costs
Earned Revenues $2,400

b. **Year-end accrual:** At year-end, the agency should record an accrual for the employees' salary and agency contribution. The accrual is based on the number of days of the payroll period incurred before September 30.

Federal Agency	OPM
6100N Operating Expense/Program Costs 6400G (24) Benefit Expense 2210N Accrued Funded Payroll and Benefits 2210G (24) Accrued Funded Payroll and Benefits	1310N Accounts Receivable 1310G (XX) Accounts Receivable 5400N Benefit Program Revenue 5400G (XX) Benefit Program Revenue

Example transaction: The Department of the Interior accrued a $5,000 payroll as of September 30. Employee withholdings are $550 and employer contributions are $650 for Health, Life and Retirement. The employer contribution and employee withholding is accrued by OPM.

Interior entry:

6100N Operating Expense/Program Costs	$5,000	
6400G (24) Benefit Expense	$650	
2210N Accrued Funded Payroll and Benefits (payroll)		$5,000
2210G (24) Accrued Funded Payroll and Benefits (agency contributions)		$650

Trial balance effects (for this transaction only):

6100N Operating Expenses/Program Costs	$5,000	
6400G Benefit Program Expense	$650	
2210N Accrued Funded Payroll and Benefits		$5,000
2210G Accrued Funded Payroll and Benefits		$650
Totals	**$5,650**	**$5,650**

Financial statement presentation:
Balance sheet:
LIABILITIES
Liabilities Covered by Budgetary Resources
Intragovernmental Liabilities
Other $650
Other $5,000

Statement of Net Cost:

Program Costs		
Intragovernmental		$650
Public		$5,000
Net Cost of Operations		$5,650

OPM Entry:

1310G (14) Accounts Receivable (agency contributions)	$650		
1310N Accounts Receivable (employee withholdings)		$550	
5400G (14) Benefit Program Revenue (agency contributions)			$650
5400N Benefit Program Revenue (employee withholdings)			$550

Financial statement presentation:

Balance sheet	
ASSETS	
Entity Assets	
Intragovernmental	
Other Assets	$650
Governmental Other Assets	$550

Statement of Changes in Net Position:	
Program costs	
Earned Revenues	$1,200

c. **Actuarial Liability:** Federal agencies record costs related to the actuarial liability as imputed financing and imputed costs. OPM records the total actuarial liability in the benefit plan. Imputed financing and costs transactions are designed to reflect total costs in federal entities Statement of Net Cost. Note, all agencies are required to use the two-digit department code “00” for both the 6730G, Imputed Costs, and 5780G, Imputed Financing Sources, SGL accounts.

Federal Agency	OPM
6730G (00) Imputed Costs 5780G (00) Imputed Financing Sources	Not applicable.

Example transactions: The Retirement cost factor for the Department of the Interior is 24.2% of $100,000. The service cost of CSRS is $24,200 for the year. Employees contributed 7% or $7,000 for the year and employer contributions was 8.51% or $8,510. The imputed costs are calculated as follows: $24,200-($7,000+$8,510) = $8,690.

The cost factor for the fiscal year for Health Benefits was $2,529 per employee. The Department of Interior employees enrolled in the Health Benefits program for the fiscal year were 60 on October 1, 30 on March 31 and 40 on September 30. The imputed costs are calculated as follows:

	10/1/XX	3/31/XX	9/30/XX
Enrollment	60	30	40
Multiplier	1	2	1
Product	60	60	40
Total			160
Divisor			4
Average Enrollment			40
Cost Factor			$2,529
Imputed Costs for employer			$101,160

The Life Insurance cost factor for the Department of the Interior was .02% for the fiscal year. The imputed cost of Life Insurance is calculated by multiplying the total basic pay for employees enrolled in FEGLI by the cost factor as follows: (1) Enrolled employees total basic pay is $500,000 and (2) imputed financing is the total basic pay $500,000 x .02% = $100.

Total imputed cost is $109,950 for Retirement ($8,690), Health Benefits ($101,160) and Life ($100).

Interior entry:

6730G (00) Imputed Costs	$109,950	
5780G (00) Imputed Financing Sources		$109,950

Trial balance effects (for this transaction only):

6730G Imputed Costs	$109,950	
5780G Imputed Financing Sources		$109,950

Financial statement presentation:

Statement of Net Cost:
Program Costs
Intragovernmental $109,950
Net Cost of Operations $109,950

Statement of Changes in Net Position:
Net Cost of Operations $109,950
Financing Sources
Imputed Financing $109,950

OPM Entry:

No transaction is recorded.

D. Procedures for Confirming Balances and Reconciling Transactions with Partner Agencies

Introduction: OPM requires confirmation of its intragovernmental account balances with its trading partners, which in this context are all agencies submitting contributions for Retirement, Health Benefits and Life Insurance. The applicable intragovernmental account balances that must eliminate at the Consolidated Financial Statement level are:

Employing Agency Account		Corresponding OPM Accounts	
2210G	Accrued Funded Payroll and Benefits	1310G	Accounts Receivable
6400G	Employer Contribution Expense	5400G	Benefit Program Revenue

OPM accounts are posted as follows:

1. As monies become due

   Dr. 1310G (XX) Accounts Receivable
   Cr. 5400G (XX) Benefit Program Revenue

2. As monies are received:

   Dr. 1010 Fund Balance with Treasury
   Cr. 1310G (XX) Accounts Receivable

3. Accrual calculation:

   Dr. 1310G (XX) Accounts Receivable
   CR. 5400G (XX) Benefit Program Revenue

   The pay period may “straddle” the fiscal year end or may not be paid until after fiscal year end. For example,

   a. The beginning and ending dates of a pay period may fall during the fiscal year, but monies are not received by OPM until the following fiscal year.

      For example, if a pay period begins on September 16, 1999 and ends on September 30, 1999 with a payroll paid date of October 10, 1999 the employer contribution for the entire pay period would be included in the year end accrual.

   b. The beginning and ending dates of a pay period may "straddle" the end of the fiscal year.

> For example, if a pay period begins on September 27, 1999 and ends on October 10, 1999 OPM estimates the amount due OPM during the Fiscal Year and multiplies it by the ratio of days falling in the fiscal year over the number of days in the pay period. Thus, in this example, OPM would multiply an estimate of the amount by 4/14 (four days in FY 1999; ten days in FY 2000).

Agencies are required to prepare a reconciliation whenever reconciling items attribute to differences between their intragovernmental account balances and the reciprocal account balances with their trading partner. Refer to Part I of this guide for a general discussion on errors and reconciling items and a sample reconciliation.

CONFIRMATION OF INTRAGOVERNMENTAL SGL ACCOUNT BALANCES

Agencies are required to provide the balances in the following intragovernmental accounts on the attached Confirmation of Intragovernmental Account Balances:

- SGL 2210G (XX) Accrued Funded Payroll and Benefits
- SGL 6400G (XX) Benefit Expense

For account 2210G, it is critical that you report only those balances associated with Federal civilian benefit programs (i.e. government contributions for Retirement, Health Benefits and Life Insurance transactions) on the attached Confirmation of Intragovernmental Account Balances. For FY 2000, payables related to Federal civilian benefit programs will be assigned separate account symbols and titles.

Upon receipt, OPM will compare your reported account 2210G balance to the amount recorded for your agency in OPM account 1310G - Accounts Receivable. The balance reported for agency account 6400G will be compared to the revenue recorded for your agency in OPM account 5400G - Benefit Program Revenue. If this comparison reveals material differences, OPM will contact the preparer named on the Confirmation of Intragovernmental Account Balances to resolve the difference(s). Agencies will be expected to provide information to explain and reconcile, as applicable, any differences.

Procedures for preparing the confirmation: Preparation of the Agency Confirmation of Intragovernmental Account Balances requires the agency to:

Line 7 Report all remittances of agency contributions via the Retirement Insurance Transfer System (RITS) during the Fiscal Year 1999. This is strictly cash transactions and should include no accruals;
Line 8 Post the accrued amount due to OPM for agency contributions (balance in account 2210G) as of the end of fiscal year;
Line 9 Post the accrued amount due to OPM for agency contributions (balance in account 2210G) as of the beginning of the fiscal year; and
Line 10 Total of line 7 plus line 8 less line 9.

Special Instructions for agencies involved in Payroll Cross-Servicing Arrangements:

The fact that your payroll operations are cross-serviced by another Federal agency does not exempt your agency from preparing the Agency Confirmation of Intragovernmental Account Balance. OPM has been working closely with the three major cross-servicing agencies (i.e., USDA's National Finance Center, the Department of the Interior, and the General Services Administration) to ensure that the information you will need to complete the Confirmation and report transactions via FACTS is available. If you have difficulty obtaining this information from your cross-servicer, please contact:

Cross-servicer	Contact	Phone
National Finance Center	Joseph Vitale	504-255-5464
Department of the Interior	Sandy Gregory	303-969-7739
General Services Administration	Mark Lutz	816-926-5118

The following chart illustrates a Confirmation Report:

		Retirement	Health	Life	Total on Report
Line 7	Actual Government Contributions	$1,000	$100	$50	$1,150
Add: Line 8	2210G at end of year	$200	$25	$10	$235
Less: Line 9	2210G at beginning of year	$(150)	$(15)	$(5)	$(170)
Line 10	Total	$1,050	$110	$55	$1215
Lines11	6400G	$1,050	$110	$55	$1,215
Line 12	Difference between lines 10 and 11	$0	$0	$0	$0

It is critical that the account balances reported on the Confirmation equals the amounts reported for the FACTS I submission to FMS. Your signature on the Confirmation is certification that your FACTS I submission to FMS and Confirmation to OPM agree.

Please complete the following Confirmation of Intragovernmental Account Balances and fax to (202) 606-7944 or mail it to the following address no later than ***January 1, 2000***:

Office of Personnel Management
Financial Policy Staff
1900 E. Street NW - Room 3H28
Washington D.C. 20415
Phone no. (202)606-8083

U.S. Office of Personnel Management
Confirmation of Intragovernmental Account Balances
Fiscal Year 1999

General Information

1. Agency Pay Office or Agency Name			
2. Contact Name		3. Phone	
4. E-Mail Address		5. Fax	
6. Mailing Address			

Account Balances

7. Actual government contributions remitted to OPM for Retirement, Health Benefits, and Life Insurance during fiscal year 1999 from RITS (2812 data). Report all cash transactions. Do not include accruals ……………………………………………………………………………………………………..	$
8. SGL account 2210G balance at the end of the fiscal year 1999. Report the accrued amount due to OPM for agency contributions at the end of the fiscal year. …………………………………………………………………	$
9. SGL account 2210G balance at the beginning of the fiscal year 1999. Report the accrued amount due to OPM for agency contributions at the end of the fiscal year………………………………………………………..	$
10. Total of line 7 plus line 8 less line 9……………………………………………………………..….	$
11. SGL account 6400G balance at the end of the fiscal year 1999. The amount reported on this line should equal the amount reported on line 10…………………………………………………………………………..	$
12. Difference between lines 10 and 11:…………………………………………………………………………..	$

13. Explanation for amount reported on line 12. Use additional attachments if necessary.

Name and Signature of Preparer

14. Prepared by:	Title:
15. I hereby certify that the amounts reported above agree with amounts to be reported for FY 1999 FACTS I submission to Treasury.	
16. Signature:	Date:

Send the original completed form with signature by facsimile to:

U.S. Office of Personnel Management
Financial Policy Staff

Facsimile number (202)606-7944

DUE DATE: January 1, 2000
Retain copy at agency and submit original to OPM

Or by mail to:

U.S. Office of Personnel Management
Financial Policy Staff
1900 E Street, N.W.
Room 3H28
Washington, DC 20415
Telephone number: (202) 606-8083

VI. FACTS Reporting Requirements

The following provides the Form and Content cross reference and the reporting requirements for SGL accounts on the FACTS reports. The numbers in the boxes indicate the calculations to be performed by the agencies to arrive at balances. The Form and Content Crosswalk is the line item in the Treasury Financial Manual, Transmittal Letter No. S2 99-01 crosswalk from the SGL to the OMB Bulletin No. 97-01, Form and Content of Agency Financial Statements.

A. Investments and Transactions with BPD

1. FACTS Balance Sheet

Account	Form and Content Crosswalk	(1) Combined Balance Sheet	(2) Intra-Departmental Eliminations	(3) Department Balance Sheet	(4) Inter-Departmental Eliminations	(5) GFR Balance Sheet
1610G Investments in U.S. Treasury Securities Issued by Public Debt	1A2	(1)	(2)	(1)-(2)	(4)	(3)-(4)
1611G Discount on U.S. Treasury Securities Issued by Public Debt	1A2	(1)	(2)	(1)-(2)	(4)	(3)-(4)
1612G Premium on U.S. Treasury Securities Issued by Public Debt	1A2	(1)	(2)	(1)-(2)	(4)	(3)- (4)
1613G Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	1A2	(1)	(2)	(1)-(2)	(4)	(3)-(4)
1340G Interest, Penalty, and Administrative Fees Receivable	1A2	(1)	(2)	(1)-(2)	(4)	(3)-(4)
2530G Securities Issued by Federal Agencies under General and Special Financing Authority, Net	4A3	(1)	(2)	(1)-(2)	(4)	(3)-(4)
2140G Accrued Interest Payable	4A3	(1)	(2)	(1)-(2)	(4)	(3)-(4)

2. FACTS Statement of Net Cost

A) Gross cost

Account	Form and Content Crosswalk	(1) Combined Gross Cost	(2) Intra-Departmental Eliminations	(3) Department Gross Cost	(4) Inter-Departmental Eliminations	(5) GFR Gross Cost
6320G Interest Expenses on Securities	1A1 or 2	(1)	(2)	(1)-(2)	(4)	(3)-(4)
7210G Losses on Disposition of Assets	1A1 or 2	(1)	(2)	(1)-(2)	(4)	(3) – (4)

B) Exchange revenue

Account	Form and Content Crosswalk	(6) Combined Exchange Revenue	(7) Intra-Departmental Eliminations	(8) Department Exchange Revenue	(9) Inter-Departmental Eliminations	(10) GFR Exchange Revenue
5310G Interest Revenue	3 or 1D	(6)	(7)	(6)-(7)	(9)	(8)-(9)
7110G Gains on Disposition of Assets	3 or 1A2	(6)	(7)	(6)-(7)	(9)	(8)-(9)

3. FACTS Statement of Changes in Net Position Report: The following accounts should be included in the FACTS Statement of Changes in Net Position Report if they are non-exchange revenues:

Account	Form and Content Crosswalk	(1) Combined Totals	(2) Intra-Departmental Eliminations	(3) Department Totals
5310G Interest Revenue	2B	(1)	(2)	(1)-(2)
7110G Gains on Disposition of Assets	2B	(1)	(2)	(1)-(2)

4. FACTS Schedule of Inter-departmental Balances: The totals in these schedules for each category should agree with the total in the Form and Content Line indicated in the following boxes.

A) **Inter-departmental assets:** The agency should report investment balances including discounts (1611G), premiums (1612G), and amortization (1613G) in column two by partner code. The agency should report interest receivable (1340G) by partner code in column 3.

Agency partner code	(1) Accounts Receivable	(2) Investments	(3) Interest Receivable	(4) Other Assets	(5) Total Assets
Form and Content	BS 1A3	BS 1A2 (Total of both)		BS 1A4	N/A
00		(2)	(3)		(1)+(2)+(3)+(4)
02		(2)	(3)		(1)+(2)+(3)+(4)
03		(2)	(3)		(1)+(2)+(3)+(4)
04		(2)	(3)		(1)+(2)+(3)+(4)
…		…	…		(1)+(2)+(3)+(4)
97		(2)	(3)		(1)+(2)+(3)+(4)
Total		Σ(2)	Σ(3)		Σ ((1)+(2)+(3)+(4))

B) Inter-departmental liabilities: BPD should report balances in debt payable (account 2530G) by partner code. BPD should also report accrued interest payable balances in by partner code.

Agency partner code	(1) Accounts Payable	(2) Debt/Borrowings from Other Agencies	(3) Interest Payable	(4) Other Liabilities	(5) Total Liabilities
Form and Content	BS 4A1	BS 4A3	BS 4A3	BS 4A4	N/A
00		(2)	(3)		(1)+(2)+(3)+(4)
02		(2)	(3)		(1)+(2)+(3)+(4)
03		(2)	(3)		(1)+(2)+(3)+(4)
04		(2)	(3)		(1)+(2)+(3)+(4)
…		…	…		
97		(2)	(3)		(1)+(2)+(3)+(4)
Total		Σ(2)	Σ(3)		Σ ((1)+(2)+(3)+(4))

C) Inter-departmental revenues/transfers-in: The agency should report interest earned and gains on dispositions as revenue and non-exchange revenues (depending on the source of funds used to purchase the investment) by partner code in this schedule.

Agency partner code	(1) Earned Revenue	(2) Non-Exchange Revenue	(3) Other Sources	(4) Transfers-In	(5) Total Revenues/ Transfers-In
Form and Content	SNC 1D or 3	CNP 2	CNP 2G	CNP 2E	N/A
00	(1)	(2)			(1)+(2)+(3)+(4)
02	(1)	(2)			(1)+(2)+(3)+(4)
03	(1)	(2)			(1)+(2)+(3)+(4)
04	(1)	(2)			(1)+(2)+(3)+(4)
…	…				
97	(1)	(2)			(1)+(2)+(3)+(4)
Total	Σ(1)	Σ(2)			Σ ((1)+(2)+(3)+(4))

D) Inter-departmental costs/transfers-out: The agency should report losses on dispositions as intragovernmental costs by partner code on this schedule. BPD should report interest expense and losses on dispositions as intragovernmental costs by partner code.

Agency partner code	**(1) Gross Costs**	**(2) Transfers-Out**	**(3) Costs/Transfers-Out**
Form and Content	SNC 1	CNP 2F	N/A
00	(1)		(1)+(2)
02	(1)		(1)+(2)
03	(1)		(1)+(2)
04	(1)		(1)+(2)
…	…		
97	(1)		(1)+(2)
Total	Σ(1)		Σ ((1)+(2))

B. Borrowings from Treasury and Other Entities

1. FACTS Balance Sheet

Account	**Form and Content Crosswalk**	**(1) Combined Balance Sheet**	**(2) Intra-Departmental Eliminations**	**(3) Department Balance Sheet**	**(4) Inter-Departmental Eliminations**	**(5) GFR Balance Sheet**
1340G Interest, Penalty, and Administrative Fees Receivable	1A2	(1)	(2)	(1)-(2)	(4)	(3)-(4)
1350G Loans Receivable	1A4	(1)	(2)	(1)-(2)	(4)	(3)-(4)
2140G Accrued Interest Payable	4A3	(1)	(2)	(1)-(2)	(4)	(3)-(4)
2510G Principal Payable to Treasury	4A3	(1)	(2)	(1)-(2)	(4)	(3)-(4)
2520G Principal Payable to Federal Financing Bank	4A3	(1)	(2)	(1)-(2)	(4)	(3)-(4)

2. FACTS Statement of Net Cost

A) Gross cost

Account	**Form and Content Crosswalk**	**(1) Combined Gross Cost**	**(2) Intra-Departmental Eliminations**	**(3) Department Gross Cost**	**(4) Inter-Departmental Eliminations**	**(5) GFR Gross Cost**
6320G Interest Expenses on Securities	1A1 or 2	(1)	(2)	(1)-(2)	(4)	(3)-(4)

B) Exchange revenue

Account	Form and Content Crosswalk	(6) Combined Exchange Revenue	(7) Intra-Departmental Eliminations	(8) Department Exchange Revenue	(9) Inter-Departmental Eliminations	(10) GFR Exchange Revenue
5310G Interest Revenue	3 or 1D	(6)	(7)	(6)-(7)	(9)	(8)-(9)

3. **FACTS Statement of Changes in Net Position:** The following accounts should be included in the FACTS Statement of Changes in Net Position Report if they are non-exchange revenues:

Account	Form and Content Crosswalk	(1) Combined Totals	(2) Intra-Departmental Eliminations	(3) Department Totals
5310G Interest Revenue	2B	(1)	(2)	(1)-(2)
7110G Gains on Disposition of Assets	2B	(1)	(2)	(1)-(2)

4. **FACTS Schedule of Inter-departmental Balances Report:** The totals in these schedules for each category should agree with the total in the Form and Content Line indicated in the following boxes.

A) Inter-departmental assets: BPD and FFB (or other lender) should report the agency totals of interest and loans receivable by partner code.

Agency partner code	(1) Accounts Receivable	(2) Investments	(3) Interest Receivable	(4) Other Assets	(5) Total Assets
Form and Content	BS 1A3	BS 1A2 (Total of both)		BS 1A4	N/A
00			(3)	(4)	(1)+(2)+(3)+(4)
02			(3)	(4)	(1)+(2)+(3)+(4)
03			(3)	(4)	(1)+(2)+(3)+(4)
04			(3)	(4)	(1)+(2)+(3)+(4)
…			…	…	
97			(3)	(4)	(1)+(2)+(3)+(4)
Total			Σ(3)	Σ(4)	Σ ((1)+(2)+(3)+(4))

B) Inter-departmental liabilities: Agencies should report agency totals of loans payable and accrued interest by partner code.

Agency partner code	(1) Accounts Payable	(2) Debt/Borrowings from Other Agencies	(3) Interest Payable	(4) Other Liabilities	(5) Total Liabilities
Form and Content	BS 4A1	BS 4A3	BS 4A3	BS 4A4	N/A
00		(2)	(3)		(1)+(2)+(3)+(4)
02		(2)	(3)		(1)+(2)+(3)+(4)
03		(2)	(3)		(1)+(2)+(3)+(4)
04		(2)	(3)		(1)+(2)+(3)+(4)
…		…	…		
97		(2)	(3)		(1)+(2)+(3)+(4)
Total		Σ(2)	Σ(3)		Σ ((1)+(2)+(3)+(4))

C) Inter-departmental revenues/transfers-in: BPD and FFB (or other lender) should report agency totals of interest earned as earned revenue (exchange) or non-exchange revenue by partner code.

Agency partner code	(1) Earned Revenue	(2) Non-Exchange Revenue	(3) Other Sources	(4) Transfers-In	(5) Total Revenues/ Transfers-In
Form and Content	SNC 1D or 3	CNP 2	CNP 2G	CNP 2E	N/A
00	(1)	(2)			(1)+(2)+(3)+(4)
02	(1)	(2)			(1)+(2)+(3)+(4)
03	(1)	(2)			(1)+(2)+(3)+(4)
04	(1)	(2)			(1)+(2)+(3)+(4)
…	…				
97	(1)	(2)			(1)+(2)+(3)+(4)
Total	Σ(1)	Σ(2)			Σ ((1)+(2)+(3)+(4))

D) Inter-departmental costs/transfers-out: Agencies should report interest expense in accordance with CRA (where applicable) and/or as interest expense by partner code.

Agency partner code	(1) Gross Costs	(2) Transfers-Out	(3) Costs/Transfers-Out
Form and Content	SNC 1	CNP 2F	N/A
00	(1)		(1)+(2)
02	(1)		(1)+(2)
03	(1)		(1)+(2)
04	(1)		(1)+(2)
…	…		
97	(1)		(1)+(2)
Total	Σ(1)		Σ ((1)+(2))

C. Transactions with DOL

The following provides the SGL account reporting requirements for accounts related to FECA payments and accruals for actuarial liabilities.

1. FACTS Balance Sheet

Account	Form and Content Crosswalk	(1) Combined Balance Sheet	(2) Intra-Departmental Eliminations	(3) Department Balance Sheet	(4) Inter-Departmental Eliminations	(5) GFR Balance Sheet
1310G Accounts Receivable	1A3	(1)	(2)	(1)-(2)	(4)	(3)-(4)
2190G Other Accrued Liabilities	4A4	(1)	(2)	(1)-(2)	(40	(3)-(4)
2220G Accrued Unfunded Liabilities	5A4	(1)	(2)	(1)-(2)	(4)	(3)-(4)
2690N Actuarial Liabilities	5B3	(1)	(2)	(1)-(2)	(4)	(3)-(4)

2. FACTS Statement of Net Cost

A) Gross cost

Account	Form and Content Crosswalk	(1) Combined Gross Cost	(2) Intra-Departmental Eliminations	(3) Department Gross Cost	(4) Inter-Departmental Eliminations	(5) GFR Gross Cost
6400G Benefit Expense	1A1 or 1	(1)	(2)	(1)-(2)	(4)	(3)-(4)
6800G Future Funded Expenses	1A1	(1)	(2)	(1)-(2)	(4)	(3)-(4)
7600N Changes in Actuarial Liability	1B1 or 1B2	(1)	(2)	(1)-(2)	(4)	(3) – (4)

B) Exchange revenue

Account	Form and Content Crosswalk	(6) Combined Exchange Revenue	(7) Intra-Departmental Eliminations	(8) Department Exchange Revenue	(9) Inter-Departmental Eliminations	(10) GFR Exchange Revenue
5400G Benefit Program Revenue	1D	(6)	(7)	(6)-(7)	(9)	(8)-(9)

3. **FACTS Schedule of Inter-departmental Balances:** The totals in these schedules for each category should agree with the total in the Form and Content Line indicated in the following boxes.

A) Inter-departmental assets: DOL should report receivables due from other agencies by partner code.

Agency partner code	(1) Accounts Receivable	(2) Investments	(3) Interest Receivable	(4) Other Assets	(5) Total Assets
Form and Content	BS 1A3	BS 1A2 (Total of both)		BS 1A4	N/A
00	(1)				(1)+(2)+(3)+(4)
02	(1)				(1)+(2)+(3)+(4)
03	(1)				(1)+(2)+(3)+(4)
04	(1)				(1)+(2)+(3)+(4)
…	…				
97	(1)				(1)+(2)+(3)+(4)
Total	Σ(1)				Σ ((1)+(2)+(3)+(4))

B) Inter-departmental liabilities: Agencies should report amounts due to DOL for chargebacks as other liabilities with the DOL partner code 16.

Agency partner code	(1) Accounts Payable	(2) Debt/Borrowings from Other Agencies	(3) Interest Payable	(4) Other Liabilities	(5) Total Liabilities
Form and Content	BS 4A1	BS 4A3	BS 4A3	BS 4A4	N/A
00				(4)	(1)+(2)+(3)+(4)
02				(4)	(1)+(2)+(3)+(4)
03				(4)	(1)+(2)+(3)+(4)
04				(4)	(1)+(2)+(3)+(4)
…				…	
97				(4)	(1)+(2)+(3)+(4)
Total				Σ(4)	Σ ((1)+(2)+(3)+(4))

C) Inter-departmental revenues/transfers-in: DOL should report the amounts by partner code as earned revenue.

Agency partner code	(1) Earned Revenue	(2) Non-Exchange Revenue	(3) Other Sources	(4) Transfers-In	(5) Total Revenues/ Transfers-In
Form and Content	SNC 1D or 3	CNP 2	CNP 2G	CNP 2E	N/A
00	(1)				(1)+(2)+(3)+(4)
02	(1)				(1)+(2)+(3)+(4)
03	(1)				(1)+(2)+(3)+(4)
04	(1)				(1)+(2)+(3)+(4)
…	…				
97	(1)				(1)+(2)+(3)+(4)
Total	Σ(1)				Σ ((1)+(2)+(3)+(4))

D) Inter-departmental costs/transfers-out: Agencies should report costs of FECA programs in gross costs of the agency by partner code.

Agency partner code	(1) Gross Costs	(2) Transfers-Out	(3) Costs/Transfers-Out
Form and Content	SNC 1	CNP 2F	N/A
00	(1)		(1)+(2)
02	(1)		(1)+(2)
03	(1)		(1)+(2)
04	(1)		(1)+(2)
…	…		
97	(1)		(1)+(2)
Total	Σ(1)		Σ ((1)+(2))

D. Transactions with OPM

1. FACTS Balance Sheet

Account	Form and Content Crosswalk	(1) Combined Balance Sheet	(2) Intra-Departmental Eliminations	(3) Department Balance Sheet	(4) Inter-Departmental Eliminations	(5) GFR Balance Sheet
1310G Accounts Receivable	1A3	(1)	(2)	(1)-(2)	(4)	(3)-(4)
1310N Accounts Receivable	1A3	(1)	(2)	(1)-(2)	(4)	(3)-(4)
2210G Accrued Funded Payroll and Benefits	4A4 and 4B7	(1)	(2)	(1)-(2)	(40	(3)-(4)
2210N Accrued Funded Payroll and Benefits	4A4 and 4B7	(1)	(2)	(1)-(2)	(40	(3)-(4)

2. FACTS Statement of Net Cost: The Imputed Costs (6730G) and the Imputed Financing Sources (5780G) should be eliminated in the Intra-Departmental column (2).

Account	Form and Content Crosswalk	(1) Combined Gross Cost	(2) Intra-Departmental Eliminations	(3) Department Gross Cost	(4) Inter-Departmental Eliminations	(5) GFR Gross Cost
6100G Operating Expenses/ Program Costs	1A1 or 1	(1)	(2)	(1)-(2)	(4)	(3)-(4)
6100N Operating Expenses/Program Costs	1A1 or 1	(1)	(2)	(1)-(2)	(4)	(3)-(4)
6730G Imputed Costs	2D	(1)	(2)	(1)-(2)	(4)	(3)-(4)

A) Exchange revenue

Account	Form and Content Crosswalk	(6) Combined Exchange Revenue	(7) Intra-Departmental Eliminations	(8) Department Exchange Revenue	(9) Inter-Departmental Eliminations	(10) GFR Exchange Revenue
5400G Benefit Program Revenue	1D	(6)	(7)	(6)-(7)	(9)	(8)-(9)
5400N Benefit Program Revenue	1D	(6)	(7)	(6)-(7)	(9)	(8)-(9)
5780G Imputed Financing Sources	2D	(6)	(7)	(6)-(7)	(9)	(8)-(9)

3. **FACTS Schedule of Inter-departmental Balances Report:** The totals in these schedules for each category should agree with the total in the Form and Content Line indicated in the following boxes.

A) Inter-departmental assets: OPM should report accounts receivable from other agencies as other assets by partner code.

Agency partner code	(1) Accounts Receivable	(2) Investments	(3) Interest Receivable	(4) Other Assets	(5) Total Assets
Form and Content	BS 1A3	BS 1A2 (Total of both)		BS 1A4	N/A
00					(1)+(2)+(3)+(4)
02					(1)+(2)+(3)+(4)
03					(1)+(2)+(3)+(4)
04					(1)+(2)+(3)+(4)
…					(1)+(2)+(3)+(4)
97					(1)+(2)+(3)+(4)
Total					Σ ((1)+(2)+(3)+(4))

B) Inter-departmental liabilities: Federal agencies should report contributions due to the benefit plans as other liabilities by partner code.

Agency partner code	(1) Accounts Payable	(2) Debt/Borrowings from Other Agencies	(3) Interest Payable	(4) Other Liabilities	(5) Total Liabilities
Form and Content	BS 4A1	BS 4A3	BS 4A3	BS 4A4	N/A
00				(4)	(1)+(2)+(3)+(4)
02				(4)	(1)+(2)+(3)+(4)
03				(4)	(1)+(2)+(3)+(4)
04				(4)	(1)+(2)+(3)+(4)
…				…	
97				(4)	1)+(2)+(3)+(4)
Total				Σ(4)	Σ ((1)+(2)+(3)+(4))

C) Inter-departmental revenues/transfers-in: OPM should report all benefit program revenue as earned revenue by partner code.

Agency partner code	(1) Earned Revenue	(2) Non-Exchange Revenue	(3) Other Sources	(4) Transfers-In	(5) Total Revenues/ Transfers-In
Form and Content	SNC 1D or 3	CNP 2	CNP 2G	CNP 2E	N/A
00	(1)				(1)+(2)+(3)+(4)
02	(1)				(1)+(2)+(3)+(4)
03	(1)				(1)+(2)+(3)+(4)
04	(1)				(1)+(2)+(3)+(4)
…	…				
97	(1)				(1)+(2)+(3)+(4)
Total	Σ(1)				Σ ((1)+(2)+(3)+(4))

D) Inter-departmental costs/transfers-out: Federal agencies should report salaries and contributions as gross costs by partner code.

Agency partner code	(1) Gross Costs	(2) Transfers-Out	(3) Costs/Transfers-Out
Form and Content	SNC 1	CNP 2F	N/A
00	(1)		(1)+(2)
02	(1)		(1)+(2)
03	(1)		(1)+(2)
04	(1)		(1)+(2)
…	…		
97	(1)		(1)+(2)
Total	Σ(1)		Σ ((1)+(2))

Appendices

I. Additional Resources

The following are additional resources linked to internet sites to be used in conjunction with this guide.

Treasury Financial Manual Supplement No. 2 (S2) Attachments in Transmittal Letter No. S2 99-01 Treasury Financial Manual U.S. Government Standard General Ledger for FY 1999

Available at:
http://www.fms.treas.gov/ussgl/sglfy99.html

Chapter 4000 Federal Agencies' Centralized Trial-Balance System (FACTS) (T/L 580 R-99-01)

Available at:
http://www.fms.treas.gov/tfm/v1p2c400.pdf

Statement of No. 1 Accounting for Selected Assets and Liabilities

Statement No. 5 Accounting for Liabilities of the Federal Government

Statement No. 7 Accounting for Revenue and Other Financing Sources

Available at:
http://www.financenet.gov/fasab.htm

This guide is available at:

http://www.fms.treas.gov/cfs/dev

(Updates to the Intragovernmental Fiduciary Transactions Accounting Guide will be at this same web-site address.)

II. Intragovernmental Eliminations Task Force

Eileen White	AID
Barbara Blackwell	USDA
Karen Brown	USDA
Melajo Kubacki	USDA
Tonya Allen-Shaw	USDA
Pat Smith	USDA
Margo Erny	USDA
Debbie Bix	USDA
Tony Akande	Commerce
Gary Gilbertson	Commerce
Bruce Henshel	Commerce
Lisa Casias	Commerce
Oscar Covell	DOD
Tom Byers	DOD
Susie Brittingham	DOD
Vanessa Hester	FDIC
Jeffrey Taylor	FDIC
Earl Barnes	GSA
Bob Owens	GAO
Kevin Kuesters	HHS
Sue Mundstuck	HHS
Damon Sutton	HHS
Phil Daniels	DOI
Chris Alvarez	DOJ
Neil Ryder	DOJ
Greg James	DOL
Veronica Freeman	DOL
Sheila Conley	OMB
Bob Yuran	OPM
Mike Finucan	OPM
Bob Montgomery	SBA
James R. W. Gonya	SBA
Stephanie Walter	SSA
Joanne Rosenkilde	SSA
Arnold Lee	State
Sandy Jones	Treasury-BPD
Crystal Antoline	Treasury-BPD
Crystal Blaniar	Treasury-BPD
Eleanor Farrar	Treasury-BPD
Mitzie Johnson	Treasury-BPD
Stephanie Brown	Treasury-BPD
Pamela Sinclair	Treasury-DO
Cynthia Boyd	Treasury-DO
Denise Woodruff	Treasury-DO
Jeff Hoge	Treasury-FMS
Karl Foltz	Treasury-FMS
Steve Creeger	Treasury-FMS
Lori Eason	Treasury-FMS
Rachelle Coleman	Treasury-FMS
Colleen Graham	Treasury-FMS
Louella Lontok	Treasury-OIG
Tony Elachkar	Treasury-OIG
Joseph Dennis	Treasury-OIG